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East Asia

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Daily Report

East Asia

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Japan

Hashimoto Seeking 'To Bridge Gap' in Trade Talks

OW2608114194 Tokyo KYODO in English 1109 GMT
26 Aug 94

[Text] Tokyo, aug. 26 KYODO—Trade Minister Ryutaro Hashimoto said Friday [26 August] he will use a series of meetings with officials in the United States as a way to narrow the conceptual differences in the bilateral trade "framework" talks.

In a recorded television talk show to be aired by a private broadcasting company Saturday morning, Hashimoto said he will exert "maximize efforts to bridge the gap in the trade discussions" when he meets U.S. Trade Representative Mickey Kantor and other top U.S. officials in early September.

Hashimoto was apparently referring to Washington's demand that Japan introduce numerical targets to measure the openness of its markets. The talk show was monitored by reporters. "If the U.S. continues to stick to a result-oriented trade approach, our discussion will not get anywhere," the trade minister said.

Hashimoto will meet in Washington around Sept. 7-8 with U.S. Commerce Secretary Ron Brown and Robert Rubin, head of the White House National Economic Council, in addition to Kantor, before attending the quadrilateral trade ministerial meeting set to open in Los Angeles on Sept. 9 for a three-day run.

The framework talks have been stalemated as both parties are still apart over the definition of the "objective criteria" to be adopted as a tool to increase Japanese imports of U.S. goods and services.

Effect of Altman Resignation on Coordination

942A0607A Tokyo NIHON KEIZAI SHIMBUN in
Japanese 18 Aug 94 Evening Edition p 2

[Article by NIHON KEIZAI SHIMBUN Washington
reporter Satoru Tsugawa]

[Text] An important coordinator between Congress and the White House was lost with the resignation of Deputy Treasury Secretary Roger C. Altman. His anticipated successor Under Secretary of the Treasury for Domestic Finance Frank N. Newman is an administrative type and undeniably projects the image of a lightweight. Any fall in the stature of the Treasury Department will probably have a delicate effect not only on U.S. fiscal management, but on the Japan-U.S. economic framework talks.

Deputy Treasury Secretary Altman, who is a close friend of President Clinton, supported the latter's administration on economic policy based on the former's experience and personal connections established during his career with the Treasury Department and private investment firms. Congressional sources rate him very highly

for his work on reducing fiscal deficits, despite forcing him to resign, such as in the words of Senator Donald W. Reigle who comments, "Aside from his involvement with Whitewater, his accomplishments were outstanding. Economic plans that he devised and executed created 4 million new jobs."

Further, in the framework talks, he participated in the establishment of a framework and served as one of the U.S. representatives. He strongly demanded that Japan use fiscal policy to expand domestic demand and clashed with the Ministry of Finance, but he joined the White House and State Department in suppressing the U.S. Trade Representative's Office which was inclined to assume a hardnosed position with Japan.

Once Deputy Secretary of Treasury Altman departs, a void will be created in the area of coordination between the White House and Congress under the leadership of aging Treasury Secretary Lloyd Bentsen and the very young Under Secretary of the Treasury for International Finance Lawrence H. Summers. The view is strong that an Under Secretary of the Treasury Newman cannot be expected to exercise the type of influence maintained by Deputy Secretary of the Treasury Altman and it appears the Treasury Department will suffer a relative decline in stature.

After serving with the leading accounting firm of Peat Marwick and leading U.S. bank Wells Fargo, Under Secretary Newman served as vice chairman and chief financial officer of BankAmerica. He is a financial and accounting expert, is well known in the financial world, and was reportedly selected to become the next deputy secretary of treasury to minimize any destabilizing impact on financial markets. However, unlike Deputy Secretary Altman, it is most likely that he will emphasize internal management of the department similar to traditional deputy secretaries of the Treasury Department.

Government Urged To Settle Trade Talks With U.S.

OW2508141694 Tokyo YOMIURI SHIMBUN in
Japanese 24 Aug 94 Morning Edition p 3

[Editorial: "What Is Needed To Make Progress in Japanese-U.S. Trade Talks?"]

[Text] The Governments of Japan and the United States have resumed subcabinet-level talks on three priority areas in the framework trade negotiations.

In addition to talks on the insurance sector which started on 23 August, talks on the two other fields—government procurement and autos and auto parts—will take place in early September. After these negotiations, Foreign Minister Yohei Kono and Ryutaro Hashimoto, international trade and industry minister, are scheduled to meet with U.S. Trade Representative Mickey Kantor on the occasion of the quadrilateral trade talks involving Japan, the United States, Canada, and the European Union.

Japan and the United States decided at a summit meeting in July 1993 to kick off framework trade talks. Although the two countries initially planned to reach an agreement in the priority areas in six months, trade negotiations broke up during the February summit. Being dissatisfied with the stalemate in government procurement talks, Washington declared that Japan could be subject to U.S. trade sanctions. As such, the framework trade talks have experienced rough going, and thus there are no signs of the two countries' reaching an agreement.

The United States has set a 30 September deadline for it to decide whether to initiate sanctions against Japan under a government procurement provision of the U.S. trade law and the Super 301 provision of the U.S. Omnibus Trade Act (which outlines steps for retaliation against trade partners' unfair practices).

Because of apprehensions that Tokyo and Washington might fail to reach an agreement and that this would intensify trade frictions between the two countries, the yen is appreciating again on foreign exchange markets. At any rate, the primary objective of the framework talks is to establish a "new economic partnership between Japan and the United States" to remove the sources of trade frictions. We hope that progress will be made toward an agreement in a series of negotiations.

In talks on government procurement, which is one of the three priority areas, the definition of "objective criteria" to gauge the degree of openness of Japan's markets holds the key to the success or failure of the talks. The United States has been clinging to its "results-oriented" principle, while Japan is opposed to the U.S. approach, saying, "It is tantamount to managed trade, which demands that Japan guarantee future results."

In talks on the auto and auto parts sector, the United States has been calling on Japan to "guarantee the continuation of voluntary parts procurement plans and an increase in procurement." Japan has retorted, saying, "The government cannot intervene in private firms' voluntary efforts."

Behind the U.S. demand is pressure from "influential members of Congress working for the interests of the auto industry" on whom the Clinton administration depends in dealing with domestic issues, and from labor organizations. With midterm elections scheduled for November, Clinton finds it politically impossible to offer a compromise in trade negotiations.

Compared with the talks on the areas of government procurement and automobiles, the insurance negotiations have reportedly been progressing fairly smoothly. It appears that the only hurdle remaining is the question of the wording of a bilateral agreement on such major issues as a U.S. demand for liberalizing sales of cancer insurance and other types that do not fall into either the life or casualty insurance categories.

The two governments should abandon their present approach of seeking a blanket settlement in the three areas. Instead, they should first seek an agreement in the sector that promises the quickest settlement. An "all-or-nothing" approach will merely heighten tensions.

Some people point out that the framework talks from the beginning have been focusing only on specific issues in the "priority areas" at both high-level and working-level negotiations.

The major problems of the present bilateral economic relations are Japan's huge current account surplus and trade surplus and the United States' twin deficits in terms of its federal budget and trade.

What is needed is constructive discussion to rectify these trade imbalances—which are undoubtedly the primary cause of the trade frictions and the appreciation of the yen against the dollar—as well as mutual understanding on policies for structural reform needed to rectify the imbalances, and cooperation in reform efforts.

It will be difficult to make progress in the framework talks if the two sides continue to depend on working-level negotiations. What is needed now is strong political leadership. Almost two months have passed since the inauguration of the Murayama cabinet, and we now urge the new government to find a way to settle the framework trade talks.

Mission to U.S. To Explain ODA Program Planned

*OW2608033294 Tokyo KYODO in English 0151 GMT
26 Aug 94*

[Text] Tokyo, Aug. 26 KYODO—The Foreign Ministry will dispatch a group of officials to the United States next month to deepen understanding of the nature of Japan's official development assistance (ODA), ministry officials said Friday [26 August].

The "ODA Caravan in U.S.A.," led by Hiroshi Hirabayashi, director general of the ministry's Economic Cooperation Bureau, will tour such cities as Washington, New York, Atlanta and Miami from Sept. 12 to 16.

They will organize seminars and meet officials of the U.S. Government and congress to explain Japan's policies on its ODA, the officials said.

They said there are still strong misunderstandings in the U.S. that much of Japan's ODA is still tied to trade or other interests as they have been in the past.

The mission's task is to resolve such misunderstandings and to explain that Japan is the world's biggest provider of such aid and it is now extended for projects of environment conservation, population control and the fight against AIDS, they added.

DA Urged To Continue Paying Base Workers

*OW2508142694 Tokyo KYODO in English 1405 GMT
25 Aug 94*

[Text] Tokyo, Aug. 25 KYODO—A top Foreign Ministry official urged the Defense Agency [DA] on

Thursday [25 August] to uphold an "official promise" to fully shoulder the labor costs of 22,000 Japanese workers at U.S. military bases from fiscal 1995.

The official, speaking anonymously, was responding to a recent agency decision to whittle down the planned size of additional fiscal 1995 expenditures for covering the salaries of base employees, and lighting and heating expenses.

In an afternoon press briefing, the official said, "unless the agency lives up to the promise, Japan will have a difficult time." The official said noncompliance with the vow might undermine the fruitful maintenance of the Japan-U.S. Security Treaty.

He was referring to Tokyo's promise to pick up 100 percent of all local labor costs and utilities costs in connection with a 1991 pact known as the Special Measures Agreement. The pact had called for Japan to raise its share of such labor and utilities costs to 75 percent by fiscal 1994, a promise the government kept.

The official said a plan to boost Japan's share of the costs to 100 percent by fiscal 1995 is an "official promise with the United States" due to a 1990 public confirmation of the plan by Chief Cabinet Secretary Misoji Sakamoto of the then administration of Prime Minister Toshiki Kaifu.

To that end, the government needs to disburse an additional 30 billion yen, on top of the annual base workers-related budget. In fiscal 1994, Japan disbursed 123.4 billion yen to cover the costs of Japanese workers at U.S. bases.

He urged the agency to scrap an intra-agency proposal to hold down the U.S. base-related expenditures for the six-month period from April to September of 1995 by taking advantage of a time lag between the budgetary fiscal years of the two allies. Japan's fiscal year starts April 1, while that of the U.S. begins Sept. 1. "We cannot explain away" the promise, he said.

ROK Minister Asks Tokyo's Support for WTO Post

*OW2608044294 Tokyo KYODO in English 0343 GMT
26 Aug 94*

[Text] Tokyo, Aug. 26 KYODO—South Korean Trade, Industry and Energy Minister Kim Chol-su called on Japan Friday [26 August] to support his bid to become head of the World Trade Organization (WTO), to be set up next year, Foreign Ministry officials said Friday.

In a 15-minute meeting with Foreign Minister Yohei Kono at the Foreign Ministry, Kim said that Japan's backing is important, and he asked that Japan formally express support for his candidacy as soon as possible, the officials said.

Japan will consider Kim's candidacy "in a positive way," Kono was quoted as replying.

Kono also told Kim that Japan intends to contribute actively in the new WTO, the officials said.

Kono is scheduled to meet another candidate for the post of chief of the world trade watchdog, Brazil's Finance Minister Rubens Ricupero, during his trip to Brazil starting Sunday.

Other candidates hoping to win the post include outgoing Mexican President Carlos Salinas de Gortari.

The WTO is scheduled to be formed in January, 1995, to replace the General Agreement on Tariffs and Trade (GATT).

Kono on 3 Conditions for Permanent UNSC Seat

*OW2508163094 Tokyo KYODO in English 1515 GMT
25 Aug 94*

[Text] Hiroshima, Aug. 25 KYODO—Foreign Minister Yohei Kono on Thursday [25 August] identified three conditions that would prompt Japan to step up its drive for a permanent seat on the UN Security Council [UNSC], including a public call for influence commensurate with Japan's UN financing.

Kono suggested the other two would include calls from the international community for countries not in possession of nuclear weapons, like Japan, to obtain permanent seats in the United Nations, and calls from Japan's Asian neighbors to balance security council decisions with its pacifist approach.

Japan shoulders 12.45 percent of the annual UN budget—the second highest outlay after the 25 percent contribution of the United States.

In a lecture meeting at a Hiroshima hotel, Kono voiced readiness to accept permanent membership, saying, "Japan should not evade responsibility in the international community."

Kono said his address to the UN General Assembly, scheduled for Sept. 27, will revolve around these basic themes.

"The United Nations are financially strapped due to an increasing number of UN peacekeeping operations," he noted.

"It is crucial to consider what is important to enable the United Nations to live up to its duties," he said.

Kono cautioned, however, it may take considerable time to secure consent for Japan's quest for permanent membership from all five permanent members of the security council as well as the required two-thirds of UN member states.

"Although there are some voices calling for Japan and Germany to assume permanent membership, it may not materialize so easily, as getting permanent membership requires the approval of all five permanent members and two-thirds of all UN member states," he said.

In a related development, Kono ruled out the possibility of Japan providing greater contributions to UN peace-keeping operations involving military activities.

He made the comment in a separate news conference in the central Japanese city of Nagoya, where he stopped to barnstorm for a candidate for a parliamentary seat in an upcoming by-election for the House of Councillors.

Meanwhile, International Trade and Industry Minister Ryutaro Hashimoto said, "It is not inappropriate for Japan, as the only nation hit by nuclear bombs, to appeal for nuclear disarmament by obtaining permanent membership on the Security Council."

Hashimoto made the remark at a meeting of political secretaries of the Liberal Democratic Party.

Anti-Kim Chong-il Leaflets Report Confirmed

OW2508131494 Tokyo KYODO in English 1307 GMT 25 Aug 94

[Text] Tokyo, Aug. 25 KYODO—The Japanese Government has confirmed a report that a large number of leaflets calling for the overthrow of North Korea's heir-apparent Kim Chong-il were found in Pyongyang last week, a senior government official said Thursday evening.

The official, who spoke on condition of anonymity, said the distribution of the leaflets in the foreign diplomatic compound is "a serious matter" since ordinary people are not allowed to enter the area, implying it may have been carried out by someone with official links.

South Korean YONHAP news agency reported Tuesday that the Korean-language leaflets, which read "down with Kim Chong-il," were distributed in volume sometime between late Friday night and early Saturday last week. The German Foreign Ministry confirmed the report Wednesday, but a U.S. Government official said later in the day that he heard indirectly there were no such leaflets scattered in Pyongyang.

Overview of Japan's Trade With DPRK

OW2508142094 Tokyo AERA in Japanese 15-22 Aug 94 p 28

[Article by AERA Editor Ichiro Saito: "Is It Possible To Revive North Korea's Desperate Economy?"]

[Text] Contacts between Japanese business circles and North Korea are made through an organization called the "Japan Research Association for Trade With East Asia." This organization was created in 1980 with the participation of several Japanese general trading houses. In June 1993, it absorbed the historic Japan-Korea Trade Association, to become the only economic organization having contacts with North Korea, in order to prepare for the reopening of Japanese-DPRK negotiations to normalize their diplomatic relations.

Riichiro Aikawa, vice president of the Japan Research Association for Trade With East Asia, was visiting Pyongyang at the time of the death of North Korean leader Kim Il-Song. Although the North Korean Committee for the Promotion of International Trade had a new representative, Aikawa could neither see him nor confirm his full name. He was obliged to return to Japan empty-handed.

As a representative of the only Japanese economic organization having contacts with North Korea, Aikawa cannot openly express his dissatisfaction. "North Korean officials were probably very busy because the country was thrown into confusion. They are, however, fully aware that the only way to revive the national economy is to pursue liberal economic policies. So, I think they will follow through with these policies," Aikawa said.

Japan has more than enough money, technology, and equipment, while one of its neighbors has an extreme need for them. Aikawa is in fact very irritated because he has not yet been able to find a good solution to unite these two realities cleverly.

There are already signs that the DPRK's economic policies are changing. That is certain.

North Korea is willing to accept the Tumen River development project proposed by the United Nations. It has already designated the Najin-Ungki area bordering Russia as a free trade zone. It has also announced that it would accept companies with a 100-percent foreign capital affiliation. Related laws have already been revised for that purpose.

Moreover, North Korea has reached an agreement with China to lease to it the port of Chongjin for a period of 50 years. In the spring of 1994, South Korean-made color TV sets were shipped to China by containers via this port. In the future, this might become an important shipping route for trade between Japan and China.

At the beginning of 1994, North Korea allowed McKinsey & Company, Inc. of the United States to open an office in Pyongyang, and it asked the U.S. consulting firm to formulate a reform plan.

In February 1994, a seminar on economic cooperation with the DPRK was organized in Germany with the participation of the North Korean ambassador.

In the Past, Japan Had a Chance To Promote Its Economic Relations With North Korea

"As long as liberal economic policies are not accompanied by a turnabout in concept and a structural reform, we cannot expect a drastic change in the situation," Pyon Chin-il, chief editor of KOREA REPORT, said.

In terms of free trade zones, North Korea is still maintaining its "isolationism." Areas designated as free trade

zones are very far from the capital city, and they are enclosed within barbed wire.

It seems that the DPRK wants to receive only the fruits of a free economy while excluding Western ideas, culture, and information. However, such mere cleverness will be of no avail at a time when international competition is becoming fiercer under the free market economic system.

Trade between Japan and North Korea now amounts to some 50 billion yen a year. This cannot be compared to the trade between Japan and China, or that between Japan and South Korea, each of which amounts to tens of billions of dollars.

Export insurance is no longer available for trade with North Korea. Capital investment is not guaranteed at all. Preferential duties do not apply because North Korea is not a member of GATT. It goes without saying that Japan does not provide any official development assistance to the DPRK.

North Korea has a slight trade surplus with Japan thanks to shipments of men's suits and jackets. This is because North Korean residents in Japan continue to send suit material to their motherland to be processed, even though this is not profitable.

In the past, Japan had a chance to promote its economic relations with North Korea once and for all. The chance came in 1972, when the DPRK was perceived as the "next country to negotiate with," following the successful summit meeting between the United States and China.

Masayoshi Ohira, then the foreign minister in the Kakuei Tanaka cabinet, had decided to use funds from the Export-Import Bank to promote turnkey plant exports to the DPRK and had worked on South Korean officials to win their consent. Senior officials of the North Korean Committee for the Promotion of International Trade had also visited Japan around that time, to discuss the possibility of importing a steel plant from Japan.

Despite these moves, Japan gradually lost its enthusiasm because it was shaken by two important events: the kidnapping of South Korean dissident leader Kim Tae-chung in 1973, and the attempted assassination of South Korean President Park Chung-hi in 1974. Moreover, Japan became discouraged when it learned that North Korea was delinquent in its payments. In the end, things turned out the way South Korea wanted them to: South Korea could not tolerate Japan going over its head to improve trade relations with the DPRK.

U.S. Think Tank Compiles Report on Economic Cooperation With North Korea

Nothing has changed since then. Japan still cannot choose its own course vis-a-vis North Korea. On the contrary, it has become increasingly difficult for Japan to

act independently following the "United States' intervention" in the international dispute over the DPRK's alleged nuclear weapons development program. Meanwhile, the possibility of economic cooperation with North Korea was suggested by two influential U.S. think tanks at the end of 1993; a report was released by the Asia Society, and the Carnegie Foundation for International Peace participated in congressional hearings on that subject.

Both think tanks made the following proposals: North Korea be admitted to the Asia-Pacific Economic Cooperation group and to the Asian Development Bank; and nongovernmental cooperation in such fields as mineral resources, textiles, and tourism. Moreover, as for the question of providing light-water reactors to North Korea, they suggested that the ROK "offer its full support" and the "formation of a consortium by Japan, the United States, and South Korea, plus some international organizations."

Japan cannot expect rapid progress in its economic relations with the DPRK as long as there is no international agreement under this kind of framework proposed by the U.S. think tanks. For the moment, Japanese companies can only wait for a ripe opportunity.

PRC Ministers Outline Development Plans

*OW2608115294 Tokyo KYODO in English 1121 GMT
26 Aug 94*

[Text] Tokyo, Aug. 26 KYODO—A senior Chinese official has revealed plans to use a major portion of Japan's aid to China for economic development of inland areas, Economic Planning Agency (EPA) head Masahiko Komura said Friday [26 August].

Komura, who has returned from a visit to China, said the plans were shown in his meeting with Chen Jinhua, minister of the State Planning Commission. Chen was quoted as telling Komura he plans to set aside about 70 percent of Japan's new aid package for a period starting in fiscal 1996 for use in inland areas where economic development is lagging behind. Komura said he and Vice Premier Zou Jiahua shared the view that emphasis should be laid on agricultural development and environmental protection.

Negotiations are under way between Tokyo and Beijing on details of Japan's new economic aid package. Under the current economic package totaling 810 billion yen, the sum earmarked for inland development projects accounts for less than 60 percent.

Insurance for Investment in Vietnam To Increase

*OW2608091094 Tokyo KYODO in English 0844 GMT
26 Aug 94*

[Text] Tokyo, Aug. 26 KYODO—Japan will expand the scope of insurance for Japanese investment in Vietnam

to include long-term loans valued at up to 1 billion yen, the government said Friday [26 August].

In the case of long-term loans valued at up to 1 billion yen, such insurance will be provided even if it is not guaranteed by the government or any bank, it said. The new insurance scheme for long-term loans to Vietnam will be applied to applications dated from Sept. 1.

As for long-term loans valued at more than 1 billion yen, the government will decide whether to insure the investment on a case-by-case manner like that for long-term loans to other countries or investment in other countries, the government said.

The expansion of insurance for long-term loans to Vietnam is in line with a pledge made by Prime Minister Tomiichi Murayama when he met with his Vietnamese counterpart Vo Van Kiet on Thursday. Under the foreign investment insurance scheme, the government compensates Japanese firms for losses from their investments abroad in the case of war or other trouble.

Tokyo To Aid Palestine To Feed Refugees

*OW2508135194 Tokyo KYODO in English 1335 GMT
25 Aug 94*

[Text] Tokyo, Aug. 25 KYODO—Japan pledged Thursday [25 August] to extend 1 billion yen worth of food for Palestinian refugees through a UN organ, the Foreign Ministry said.

Officials from the Japanese Government and the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) exchanged documents on the assistance in Vienna, the ministry said.

Japan will provide the help through the UNRWA, which engages in educational, sanitation and relief activities for the refugees. The aid is part of Japan's pledge last fall to provide 200 million dollars over two years for the reconstruction of the West Bank town of Jericho and the Gaza Strip, following the historic accord between the Palestine Liberation Organization and Israel last September. Japan, which has been extending food assistance to Palestinian refugees since 1970, will provide u.s.-grown wheat, it said.

KYODO on Closer Economic Ties With Russia

*OW2608120594 Tokyo KYODO in English 1155 GMT
26 Aug 94*

[Text] Moscow, Aug. 26 KYODO—Russia has agreed in principle to send a large delegation led by First Deputy Prime Minister Oleg Soskovets to Japan in November to boost bilateral economic ties, Japanese officials said Friday [26 August].

Soskovets expressed readiness to visit Japan when he received an official letter of invitation from Foreign Minister Yohei Kono, delivered by Japanese Ambassador to Moscow Koji Watanabe, the officials said.

Soskovets' influence within the Russian Government is growing rapidly with support from Russia's military-industrial complex and his growing connection with President Boris Yeltsin, informed sources said.

Soskovet wants to secure an agreement to establish an economic cooperation commission comprising officials from both governments during his visit to Tokyo, they said.

He will seek to bolster the economic relationship on the strength of the Tokyo Declaration signed in October 1993 by Yeltsin and then Japanese Prime Minister Kiichi Miyazawa, a statement that committed the two nations to seek to build more friendly ties, they said.

The administration of Prime Minister Tomiichi Murayama sees Soskovets' visit as a crucial event that might open the way for a strengthening of the bilateral relationship, whose progress has been hindered by Japan's unstable political landscape involving the falls of three successive governments since last August, the officials said.

Plans for the visit will be finalized at a meeting between Kono and Russian Foreign Minister Andrey Kozyrev on the occasion of the pair's simultaneous visit in September to New York, where Kono will address the UN General Assembly, they added.

The two countries' relationship has been overshadowed by a fray over the sovereignty of four Russian-held islands off Japan's northern shore which were seized by the Soviet Army in the closing days of World War II.

Seoul Urged Not To Sign Russian Fishing Pact

*OW2508120894 Tokyo KYODO in English 1156 GMT
25 Aug 94*

[Text] Tokyo, Aug. 25 KYODO—A top Foreign Ministry official indicated Thursday [25 August] that Japan may urge South Korea not to conclude an agreement with Russia on fishing rights in waters off four Russian-held islands claimed by Japan.

Russian press reports said Wednesday a South Korean delegation will visit the Russian Far East later this month or in early September to discuss the accord under which South Korean fishermen would pay for fishing rights in the contested waters.

The territorial dispute between Japan and Russia, which has prevented the two countries from fully normalizing relations, has escalated in recent weeks after Japanese fishing boats were fired on by Russian coastal authorities for alleged poaching in Russian waters. "I don't think this is a (Russian) threat," the official said in reference to the signing of a pact between South Korea and Russia. "If the reports turn out to be true, it will be possible to discuss the issue with South Korea."

Because of the territorial dispute, Japan was initially opposed to a fishing accord with Russia under which its

fishermen would pay for rights to operate in the contested territorial waters. But Tokyo is reportedly moving to drop its opposition to such a private-sector agreement to "protect marine resources" in the area. The official said that simply "paying money for the (rights) themselves would amount to recognizing Russian sovereignty" over the area.

Liberal Democratic Party sources said Thursday the focus of a fishing agreement would be protection and joint Russian-Japanese management of marine resources. A share of the profits from catches in the disputed waters off Hokkaido, Japan's northernmost main island, could further be donated to Russia in the form of economic aid, they said. A Japanese delegation is scheduled to visit Sakhalin on Sept. 5-8 for talks on fishing in the waters.

Ministry Seeking Pension Funds Market Opening

*OW2508130394 Tokyo KYODO in English 1248 GMT
25 Aug 94*

[Text] Tokyo, Aug. 25 KYODO—The Health and Welfare Ministry is seeking the Finance Ministry's authorization for a plan to entrust foreign and Japanese investment consultant firms with the management of pension funds collected from citizens by the government, starting in fiscal 1995, ministry officials said Thursday [25 August].

So far, the government has allowed only life insurance firms and trust banks to manage public pension funds pooled for state-run pension plans for corporate employees and self-employed businessmen.

Unlike life insurance firms and trust banks, investment consultant firms are legally authorized to invest entrusted funds as discretionary funds into various securities, including high-yield stocks that sometimes carry higher risks than government bonds.

Because of this relative insecurity, the finance ministry has been reluctant to comply with health ministry requests. One official said the government "needs to keep priority on protecting the asset security of public pension funds."

The Health Ministry said it will soon begin official negotiations with budget drafters in submitting its budget requests for fiscal 1995, which starts April 1, 1995.

The United States, at the venue of bilateral trade framework talks, has been urging Japan to allow foreign investment consultant firms to manage part of Japan's public pension funds in a bid to bolster foreign access to the Japanese financial services market.

The Health Ministry will press state budget drafters for authorization for yet another plan to allow Pension Welfare Service Public Corp., a quasi-government body, to borrow pension funds directly from a special account

of the State Treasury without going through the Finance Ministry's Trust Fund Bureau, the officials said.

The bureau has exerted its jurisdiction over the management of public pension funds and is entrusted each year with managing the funds and extending loans from the funds to the Pension Welfare Service Public Corp.

So far, the public corporation has had to borrow from pension funds through the bureau, which charges a relatively high interest rate on its annual loans.

In fiscal 1992, the bureau charged a 5.71 percent interest rate on loans to the public corporation. However, the corporation could only generate 4.96 percent return on its investments from the borrowed funds in the fiscal year. In fiscal 1994, the public corporation borrowed 21.8 trillion yen, or some 20 percent of the pooled funds held by the government.

Keiichi Fukuyama, section chief in charge of funds management at the Health Ministry's Pension Bureau, said the ministry wants to "boost the efficacy of investment of public pension fund assets by having a variety of firms vie with each other" in trying to attain higher yields. Fukuyama said the ministry also wants to "disperse investment risks" by entrusting a wide scope of firms with the fund management.

If the Finance Ministry authorized the proposed new formula of allowing the public corporation to borrow directly from the State Treasury, the public corporation would be spared some of the burden of interest payments it has paid annually to the bureau, they said.

Under the new formula, the public corporation would have to pay interest directly to the state treasury while obtaining fresh leeway to conduct longer-term investment in the stock market, they said. The Health Ministry plans to have the public corporation borrow some 1 trillion yen from the state treasury under the new formula in fiscal 1995, while obtaining the rest of its annual borrowings under the existing formula, they said.

More on Increased Sales of Imported Automobiles

*OW2508141594 Tokyo NIHON KEIZAI SHIMBUN in
Japanese 21 Aug 94 Morning Edition p 2*

[Editorial: "Why Are U.S. Cars Selling Well?"]

[Text] Imported cars are selling well. The number of imported cars sold in July increased by 49.6 percent compared to the same period in the previous year. The total number of imported cars sold in Japan during the seven-month period of January to July was over 168,000, which is 41.9 percent greater than that of the same period in 1993. Auto sales across all of Japan for the January-July period were 3 percent less than for the same period in the previous year. Therefore, we can say that sales of imported cars stand out.

Cars which were produced by the Honda Motor Company and other Japanese companies in the United States

and which were exported to Japan are included in this total of imported cars. However, the demand for imported cars, excluding the imported Japanese cars, is increasing. During the January-July period, imports of Chrysler and Ford vehicles, in particular, increased significantly by 3.1 and 2.2 percent, respectively.

Saying that Japan's auto market is closed, the United States criticized Japan and demanded at the Japanese-U.S. framework talks that Japan open up its auto market to the Big Three. The United States is still demanding that. But the U.S. Government's claim that Japan's auto market is closed is rapidly losing its appeal thanks to the statistics that reflect the reality.

Why are imports of foreign cars, with the exception of imported Japanese-made cars, increasing? The first reason is the fact that foreign automakers, who are the suppliers, noticed the size of Japan's auto market and begun to seriously promote business activities in Japan. Some foreign automakers are building their own sales and service networks in Japan. Others are selling their cars through Japanese automakers' networks.

Second, foreign automakers introduced new cars with right-hand- drive steering wheels and tried to improve the quality of their products. At the same time, they lowered the prices of their cars by taking advantage of the strong yen. The simplification of procedures for obtaining government approvals, including pattern [keishiki] approval, was one of the factors that lowered foreign car prices. Essentially, Japanese have a strong admiration for European and American culture. There is a strong possibility that foreign automakers' cars, which have different appeals than do Japanese cars, will sell in greater numbers if they can be purchased at reasonable prices.

After the United States asserted [that Japan's auto market is closed], Japan's auto industry and the government changed their own traditional business practices and eased regulations. Because of these efforts, the "improvement of the sales and service networks and offering good-quality and good-performance cars at reasonable prices" now are the conclusive factors for expanding imported cars' market share.

The Japan Automobile Dealers Association disclosed the results of questionnaires answered by auto dealers who attended a seminar on selling cars manufactured by the Big Three. According to the survey results, Japanese auto dealers still have strong concerns about the Big Three's after-sales service; they worry whether the manufacturers will quickly respond to complaints and whether they will continue to steadily supply cars and spare parts. On the other hand, Japanese auto dealers are not greatly worried about prices or whether the Big Three will introduce new models that will satisfy Japanese consumers' needs.

The results of the questionnaires indicate the potential that the number of auto outlets who sell U.S. cars will grow if the Big Three remove the fears that Japanese auto dealers have.

For several reasons, including the fact that they are suffering from business stagnation, Japanese auto dealers are highly interested in selling imported cars. Therefore, we are of the opinion that foreign automakers, if they make further efforts to develop their market in Japan, will be able to expand their market share here.

Auto Production Declines in Jul at 7.5 Percent

*OW2608060394 Tokyo KYODO in English 0530 GMT
26 Aug 94*

[Text] Tokyo, Aug. 26 KYODO—Japan's production of motor vehicles, including minivehicles, declined 7.5 percent in July from a year earlier to 935,501 vehicles, extending the year-on-year decline to 22 months running, an industry association reported Friday [26 August].

The Japan Automobile Manufacturers Association said passenger cars accounted for 679,536 units, down 10.6 percent from July last year for the 16th straight year-on-year drop.

Production of minicars rose 1.7 percent to 69,272 units, the association said.

It said production of trucks increased for the second straight month, rising 1.4 percent to 251,307 units while bus output surged 15.5 percent to 4,658 units for the 13th straight gain, the association said.

The July output brought to 6,175,868 units the total number of motor vehicles produced in the first seven months of this year, down 10.4 percent from the like period last year, the association said.

Passenger cars, including minicars, accounted for 4,597,143 units, down 11.7 percent, it said.

The association said domestic sales in July grew 2.9 percent to 636,895 units, with passenger cars accounting for 416,758 units, up 2.4 percent.

Exports were expected to have gained about 0.4 percent over a year earlier, the association said.

The exact export figure will be released later.

The association said motorcycle production for the January-July period fell 13.7 percent from the like period last year to 1,628,364 units.

In July, output totaled 230,980 units, down 13.8 percent, posting the 16th straight month of year-on-year decline, the association said.

Plan for Compensating 'Comfort Women' Opposed

*OW2508141894 Tokyo ASAHI SHIMBUN in Japanese
20 Aug 94 Morning Edition p 2*

[Unattributed article: "Finance and Foreign Ministries Are Negative Toward the Concept of Reparations for Former Comfort Women; Consensus Within the Government Looks Difficult"]

[Text] Persistently negative views exist within the Ministries of Finance and Foreign Affairs concerning the Murayama cabinet's plans to pay reparations raised from private sources to former comfort women of the former Japanese military as an act of "atonement." This is because these ministries are not certain how much money will be raised and because it is difficult to determine who the beneficiaries should be. Prime Minister Tomiichi Murayama and Chief Cabinet Secretary Kozo Igarashi are demonstrating strong intentions to make the concept be materialized, but adjustments within the cabinet concerning the concept, which has been initiated by the Social Democratic Party of Japan [SDPJ], do not look like they are going smoothly.

The chairmen of the three ruling political parties on 11 August discussed the idea and agreed to work out some sort of measures to individually "compensate" the former comfort women. The measure seeks to set up an organization which is independent of the government to raise money from private enterprises, labor unions, and private citizens.

On 19 August, however, a high-ranking official from the Office of the Prime Minister told the press, "I am dubious about the plan because it is doubtful whether the money can be raised from private sources," thus indicating an incomplete consensus within the government.

Foreign Ministry officials raise questions about the Japanese Government's involvement in "compensating" individuals, even in the shape of disbursing money from private contributions.

There was a movement last year among the members of the Japan-ROK League of Parliamentarians, which includes Diet members from all parties and factions, to study the possibility of setting up some sort of fund composed of government treasury funds to compensate them. The government carried out a study of whether government funds could be funneled through the Japanese and ROK Red Cross Societies to assist these former comfort women. Both plans did not materialize because the ROK Government worried that the plans might affect the domestic situation concerning other reparation issues.

The new concept tries to avoid the conflicts of the previous plans by making the government cover the administrative expenses of the organizations in charge of fund raising. A Finance Ministry official insists that "the state cannot become involved in private fund raising" and that "careful studies must be carried out to avoid the impression that the state has paid compensation in terms of the state's having paid management expenses."

At any rate, the government will inevitably face the problem of clearing the "logical contradiction" of asking private sources to cooperate in raising money for "compensation," despite its claim that it will not pay any compensation by itself.

The concept estimates that about a thousand women will be the maximum number of those to be awarded the reparation money, but it has yet to touch on the method of "recognizing" the probable beneficiaries. It is said that the case of the former soldiers and civilian employees of Taiwan origin who served in Japanese military is being taken into consideration as a point of reference. Those now suffering from serious physical handicaps and the bereaved families of the war dead either received condolences or reparation money. The former comfort women include people from the Korean peninsula and others from such a wide of range of places as China, the Philippines, and the Netherlands.

Prime Minister Murayama and his ministers want to solidify the concept by the end of this month, when the approximate budget estimate for the next fiscal year is to be made public, but the decision will probably be put off until the end of the year, when the draft budget bill is formulated.

1-Year Extension of Utility Rate Cuts Approved

*OW2508080294 Tokyo KYODO in English 0702 GMT
25 Aug 94*

[Text] Tokyo, Aug. 25 KYODO—Japan's power and gas utilities received government approval to continue for one year their rate cuts to consumers worth 1,200 yen a year per household for electricity and 1,656 yen for gas, the trade ministry said Thursday [25 August].

The rate cuts approved by the Ministry of International Trade and Industry (MITI) reflect lower fuel import costs due to the appreciation of the yen against the U.S. dollar.

The combined value of rate cuts in electric power charges for the year from Oct. 1 will amount to 254 billion yen. The rate cuts will cost the gas companies revenues of 39 billion yen over the same period.

Japan's 10 electric power companies and three gas suppliers first introduced rate cuts in November 1993, as the sharp rise the yen lowered import costs across the board. Japan's fuel imports are priced in U.S. dollars.

The rate cuts announced Thursday represent the government's policy of having the utilities companies pass on to consumers some of their windfall profits stemming from the stronger yen.

Ruling Coalition Panel Agrees on Need To Hike Sales Tax

*OW2608122594 Tokyo KYODO in English 1214 GMT
26 Aug 94*

[Text] Tokyo, Aug. 26 KYODO—The ruling coalition's working panel on tax reform agreed Friday [26 August] on the need to raise the consumption tax but left open to future debate the scale and timing of such a tax hike, panel members said.

They said the panel reviewed problems surrounding the consumption tax and there was broad consensus on the need to improve transparency in the system of collecting the tax.

Among other things, panel members debated existing tax relief measures for small and midsize businesses, including one allowing retailers with annual sales of up to 30 million yen to be exempt from consumption tax payments.

The panel, consisting of members from the three parties within the coalition government, Wednesday set a Sept. 13 deadline for writing a platform on tax reform.

SDPJ Rules Out Simultaneous Tax Cut, Hike

*OW2608130894 Tokyo KYODO in English 1251 GMT
26 Aug 94*

[Text] Tokyo, Aug. 26 KYODO—A top official of one of the parties within the ruling coalition said Friday [26 August] there will be a considerable time lag between a tax cut and the following tax hike to help finance it next year.

"A tax cut of about 6 trillion yen is an established policy, but there will be a considerable time lag with regard to a tax hike," said a top official at the Social Democratic Party [Social Democratic Party of Japan - SDPJ].

The official said the time lag should be two or three years so that economic conditions and the results of administrative reform can be assessed.

Ministries, Agency To Request FY 1995 Budget

Foreign Ministry: 749 Billion Yen

*OW2608101794 Tokyo KYODO in English 1004 GMT
26 Aug 94*

[Text] Tokyo, Aug. 26 KYODO—The Foreign Ministry will request a total of 749 billion yen in the fiscal 1995 budget, including 575 billion yen for Official Development Assistance (ODA), ministry officials said Friday [26 August].

The ministry's request marks a 7.9 percent hike from the previous fiscal year. Regarding ODA, or foreign aid, the increase is 7.7 percent. The ministry will submit the request to the Finance Ministry next Wednesday.

Ministry officials said it needs the increase in budget to strengthen the diplomatic system, which is still insufficient compared with other countries. Japan also needs to boost its international contributions to make them commensurate with its international status, they said.

A highlight of the ministry's fiscal 1995 budget request is the 4.17 billion yen allocated for projects and events to commemorate the 50th anniversary of the end of World War II.

The Japanese Government plans to budget 100 billion yen over 10 years starting fiscal 1995 to carry out projects and events to promote exchanges with southeast and East Asian nations which suffered from Japanese aggression during World War II.

Prime Minister Tomiichi Murayama is expected to announce the contents of the projects after he returns home from his four-nation trip to Southeast Asia late this month.

According to the officials, the foreign ministry is considering implementing projects aimed at promoting historical research and youth exchanges with the Asian nations to build "future-oriented" ties with those countries.

The budget does not, however, include costs to conduct surveys on Asian women forced into sexual slavery for the Japanese military before and during the war, they said.

The budget also includes 3.2 billion yen as costs to host the 1995 Asia-Pacific Economic Cooperation (APEC) forum in Osaka, the officials said.

The officials said Japan plans to boost the ODA while improving its quality to achieve a five-year government plan to disburse 70 billion to 75 billion dollars in aid to developing countries between 1993 and 1997.

Tokyo wants to expand areas for ODA to such fields as women and development, as well as children and disabled people, while also using the foreign aid to tackle environmental problems and problems of AIDS and population, they said.

The ministry is allocating some 30 billion yen for costs to cover the opening of a new embassy in Luxembourg and a consulate general in China's Chengdu in Sichuan Province, as well as upgrading salaries of diplomatic personnel.

MITI: 926.2 Billion Yen

*OW2608080194 Tokyo KYODO in English 0746 GMT
26 Aug 94*

[Text] Tokyo, Aug. 26 KYODO—The Ministry of International Trade and Industry (MITI) will seek 926.2 billion yen in a general-account budget for fiscal 1995, with an emphasis on plans to reform Japan's economic and industrial structure to foster new businesses.

The funding request, to be submitted to the Finance Ministry on Aug. 31, represents a 3.07 percent increase from the original fiscal 1994 budget. Excluding funds to be shifted to a special account to help finance coal, oil and alternative energy development projects, spending requests by the ministry will amount to 386.2 billion yen, down 0.04 percent. MITI requests for the government's fiscal investment and loan program will total 11,134 billion yen, up 11.8 percent.

MITI officials said the ministry has formulated the funding plan in line with five major goals in MITI's fiscal 1995 trade and industry policy. These goals are centered on economic reforms intended to increase harmony between Japanese society and the rest of the world, industrial restructuring aimed at creating new businesses, flexible energy supplies, improved living standards and global cooperation in trade and the environment.

On promotion of economic reforms, MITI will seek appropriations of 9,102 million yen in import expansion programs in the next fiscal year, which starts in April 1995. Requests in the same category will also include 123 million yen earmarked for helping narrow price gaps between Japan and foreign markets.

The funding requests for social infrastructure improvement will also include 800 million yen for research and development in information-processing technology and 1 billion yen for projects to build 21-century shopping malls.

MITI will seek 37,714 million yen for establishing a legal system on intellectual property rights and 350 million yen for improving debt guarantee systems to support venture companies.

The ministry will request funding for small companies, including 353 million yen to stimulate new business ventures, 2,536 million yen to aid small businesses in innovative research activities and 400 million yen to upgrade an unsecured credit system.

Requests for stable energy supplies will include 1,665 million yen for promoting efficient nighttime use of electricity, 13,432 million yen for promoting solar power generation and 5,082 million yen for the dissemination of low-pollution automobiles powered by natural gas.

The ministry will seek a budgetary allocation of 880 million yen to improve product safety, a request in line with the scheduled enforcement of a product liability law next year.

On requests related to Japan's global cooperation in trade, MITI will ask the Finance Ministry to secure 1,311 million yen to sponsor the ministerial meeting of the Asia-Pacific Economic Cooperation (APEC) forum in Japan next year.

Other requests on international aid will include 2,103 million yen to help foster supporting industries in developing countries, 25,232 million yen to upgrade a trade insurance system and 250 million yen to establish a technology to neutralize chlorofluorocarbon gases.

MPT: 45.35 Billion Yen

*OW2608085894 Tokyo KYODO in English 0841 GMT
26 Aug 94*

[Text] Tokyo, Aug. 26 KYODO—The postal ministry said Friday [26 August] it will seek general-account

appropriations of 45.35 billion yen under the fiscal 1995 budget, up 6.8 percent from the initial fiscal 1994 budget.

The Ministry of Posts and Telecommunications [MPT] also said the proposed outlay includes interest-free loans to private companies laying optical-fiber cable networks, subsidies to local governments establishing high-tech data-exchange networks and funding to set up institutes to conduct basic research on multimedia communications.

In addition, the ministry is seeking 5 billion yen, mostly in connection with public works spending, to help establish a new generation of communications networks.

The proposed interest-free loans, totaling 66.5 billion yen, will be provided to telecommunications service companies, such as Nippon Telegraph and Telephone Corp. (NTT), and cable television operators, the ministry said.

Environment Agency: 76 billion Yen

*OW2608093294 Tokyo KYODO in English 0900 GMT
26 Aug 94*

[Text] Tokyo, Aug. 26 KYODO—The Environment Agency said Friday [26 August] it has asked the Finance Ministry for a budget allotment of 75.9 billion yen for fiscal 1995, including 9.7 billion yen for preservation of the global environment.

The agency's budget program, if approved intact, would represent a 12.8 percent increase over the corresponding outlay in fiscal 1994 that started on April 1 of this year. The budget request calls for 1.3 billion yen for implementing the first-year phase of the "basic environment program" that is now being sketched out in line with the basic environment law legislated in 1993, agency officials said.

The program includes aid for local municipalities in pushing the extensive use of electric-powered vehicles, as well as for helping them transform former paddy fields no longer cultivated by farmers into living places for various animals.

Labor Ministry: 5.8 Billion Yen

*OW2608085594 Tokyo KYODO in English 0807 GMT
26 Aug 94*

[Text] Tokyo, Aug. 26 KYODO—The Labor Ministry will request total appropriations of 5.8 billion yen, including 4.69.1 billion yen in general account, under the fiscal 1995 budget, up 2.2 percent from the initial fiscal 1994 budget, ministry officials said Friday [26 August].

The total includes spending of 3.9 billion yen in connection with the proposed implementation of a special law to stabilize the employment of workers in industries hit by a structural slump, stemming from the yen's appreciation and other factors. Appropriations for the special

labor insurance account represented 5,413.5 billion yen of the total. General-account appropriations are up 1.9 percent, the officials said.

Under the proposed special law, the labor minister will designate certain industries plagued by a structural slump and offer subsidies to affected companies trying to secure employment by personnel transfers and other measures. Other measures covered by the proposed budget outlays include financial aid to new college graduates in finding jobs and subsidies to companies that have introduced maternity leaves for their workers.

Paper Examines Security, Disarmament Policies

Political Decision

*OW2508111994 Tokyo ASAHI SHIMBUN in Japanese
17 Aug 94 Morning Edition p 2*

[Article by Political Department reporter Jiro Moriyama; first in a three-part series entitled: "Is Disarmament Possible?—Security Policies Examined"; this installment entitled: "Political Decision—Prime Minister Does Not Talk About Details"]

[Text] Five years have passed since the end of the Cold War. There have been various opinions concerning the ideals of Japan's security policies and how the Self-Defense Forces [SDF] should be reshaped to meet the international community's needs.

For example, Shinseito [Japan Renewal Party] Secretary General Ichiro Ozawa, in his book "Blueprint for Reforming Japan" [Nihon Kaizo Keikaku], says: "Japan must change from a dedicated defensive strategy to a peace-creating strategy. The SDF should be reorganized in accordance with that basic plan." On the contrary, a report put together by the Social Democratic Party of Japan's [SDPJ] Peace Strategy Study Group notes: "To maintain doctrines of the pacifist Constitution, the SDF should be transformed by stages into such organizations as a national land garrison or a force specializing in international aid. International cooperation should be limited to non-military areas." **Second Largest Armed Country in Dollar Value** [subhead]

Forty years ago, the SDF was launched with arms supplied by the U.S. Forces. But now, the SDF, composed of the Ground SDF [GSDF], Maritime SDF [MSDF], and Air SDF [ASDF], has 240,000 members in total. It has 1,200 tanks; 62 escort warships [destroyers]; about 170 expensive, high-performance F-15 fighters; and over 90 P-3C anti-submarine aircraft, thus becoming a first-class force in the world. The defense budget for fiscal 1994 is approximately 4.6 trillion yen. According to the "Military Balance" released by the International Institute for Strategic Studies, in fiscal 1993, Japan had already become the second largest armed country in the world in terms of dollar value.

Why has the SDF become such a big force? A key to this question can be found in the "fundamental defense

capability" stipulated in the "National Defense Program Outline" (in 1976). It stipulates the level of "minimum defense capability that should be maintained by Japan during peacetime." This enables the government to flexibly decide on Japan's defense capability commensurate with the environment of each era. In this sense, the government, with the top priority given to the United States' hopes, could have enhanced the strength of the SDF without witholding the "defense-oriented" purpose of the SDF.

Now that the Soviet Union has collapsed, conditions for drastically reducing the SDF's functions that have been provided for "counter-Soviet" purposes are set. It has been stipulated in a report drawn up by the Defense Policy Council [DPC] that it is necessary to reduce ground war capability and air fighters. **Report Follows Fundamental Defense Capability** [subhead]

However, determining and carrying out ideal defense policies are not easy. Such a difficulty is seen in the report released by the DPC. The report has followed the "fundamental defense capability" stipulated in the 1976 outline, and determining the level of concrete defense capability is left for the government to decide.

The SDF lacks experience in drastic "arms reduction." Like the cabinet's administrative reform efforts, it is inevitable that the arms reduction plan will face strong opposition. Debates have not been conducted over arms reduction between "those who place emphasis on the United States' hopes" and those calling for "protecting the Constitution." Even the environment for such debates has not been created. After all, it is impossible to start studies on disarmament unless political parties or politicians propose ideal defense capabilities.

It is a matter of course that the Japan-U.S. Security Treaty's significance and details should be reviewed. The fact that the Security Treaty supports the United States' military presence in East Asia, which has become a primary factor for stabilizing the area, cannot be ruled out. However, as the report says, it may be necessary to discuss, while studying Japan's policies toward Asian nations, whether strengthening military cooperation within the same framework of the Cold-War structure will help stabilize the region or whether enhancing Japan-U.S. cooperation in the area of economics and humanitarian aid is more important. There is no doubt that the international community hopes to see Japan's expansion of its cooperation in UN peacekeeping operations (PKO). However, Japan has to become aware that expanding its cooperation in the PKO will result in wariness towards Japan by the international community. It is necessary to make clear on what occasions and to what extent Japan can cooperate in the PKO.

After receiving the report on 12 August, the prime minister said: "In general, the report quite meets what I am seeking." However, he also added: "We will discuss details later," thus keeping silent about how the report will be treated.

Security and defense policies affect the nation's foundation. How does the prime minister plan to respond to the report? It is questionable whether Prime Minister Murayama, who has taken over the DPC, which was established by the Hosokawa government, really wants to promote disarmament.

Japan's Active Contributions

OW2508115494 Tokyo ASAHI SHIMBUN in Japanese
18 Aug 94 Morning Edition p 2

[Article by Hiroyuki Yamamoto in Bangkok and Iryo Kimura in Washington; second in a three-part series entitled: "Is Disarmament Possible?—Security Policies Examined"; this installment entitled: "Dilemma: So Many Views Exist on Japan's Active Contributions"]

[Text] Concerning active participation by the Self-Defense Forces [SDF] in UN peacekeeping operations (PKO), Jonathan Clark's, a researcher at the Cato Institute—a U.S. influential think tank, view was very cautious.

He said: "A danger could exist unless Japan handles this matter very cautiously, watching how other nations in Asia react to it.

Backed by rapidly growing local economic development, Southeast Asian countries' political voices in regard to the Asian and Pacific region are growing strong. Even if it was done within the UN framework, the dispatch of armed groups, such as the SDF, to interfere in some other nation's affairs could incite these nations. He said Japan should take note of this point. Changing 'Asian Strategy' [subhead]

Japan presents a complication for Clinton's administration, which last year announced its policy on "attaching importance to Asia" in its post-Cold War strategy.

For one, its "appreciation" for Japan as an ally, which provides military bases in the Asia Pacific region has not changed much even after the Soviet Union's collapse. And politically, Japan's value is growing as a mature "regional center."

In that context, it is "very meaningful" (according to Armitage, former assistant defense secretary) that a report prepared by the prime minister's private advisory panel "Defense Issue Conference" reconfirmed the importance of the Japan-U.S. security system."

On the other hand, the U.S.-announced policy of "attaching importance to Asia" is apparently different in nature from its Asian strategy of the Cold War era.

The things that concern the United States most right now are the liberalization of markets, which can help vitalize the U.S. economy as well as this region's political stability. The basic underlying thought is that Japan's "prominence," which can affect the political stability of

the region—regardless of whether it be in the form of "efficient" military power or "active" military roles—should be avoided.

In late May, a conference was held in Bangkok to discuss "Japan's responsibility and contributions for peace and prosperity in the Asia Pacific region." Security issue researchers from Thailand, Singapore, China, and the ROK discussed concerns and expectations for Japan. Some of the views expressed were:

"Japan will not become a military power again. The United States will not allow it."

"We need to remember the fact that the Japanese Government had in its key post, a man who refuted the Nanjing massacre."

"Japan has the technologies and financial resources to create military power in a short period of time."

It is not that all Asian countries, which are very critical about Japan's history, are wary and skeptical of Japan now. However, Japan's existence cannot be forgotten when considering the region's post-Cold War security. There are many factors—like environmental issues, immigration, and narcotics—that can cause instability, and there are growing voices calling for Japan's positive contributions in this regard.

And yet, as far as the military matter is concerned, it is difficult for the countries to abandon their mistrust and uneasiness. Sulachai [name as published], East Asia Institute director at Tamasat University in Thailand, asked: "If the DPRK does in fact arm itself with nuclear weapons, what will Japan do?"

Defense, High Technology

OW2508121194 Tokyo ASAHI SHIMBUN in Japanese
19 Aug 94 Morning Edition p 2

[Article by economic reporter Yasuki Tabe; third and final part of a three-part series entitled: "Is Disarmament Possible?—Security Policies Examined"; this installment entitled: "High Technology—Defense Industry Tries to Find a Way Out"]

[Text] The Japan-U.S. joint development of a next-generation support fighter (FSX) is in progress at Mitsubishi Heavy Industries' [MHI] Aerospace Systems Factory [ASF] in Nagoya City. In this factory, the construction of the "300-X," an experimental next-generation bullet train developed by JR Tokai Railway Company, is also in progress.

Just before the war, the ASF was used for the production of Zero fighters. In the postwar era, it has been a strong point for the production of F-1 and F-15 fighters. The ASF, which is one of the largest munitions plants in Japan, has begun to develop another face as a "train factory."

According to JR Tokai officials, last summer MHI sounded out the railway company about the "possibility of applying defense technology to railroading skills." JR Tokai studied the possibility and found that only fuselage manufacturing technology was applicable.

Unlike consumer products, weapons are required to have high accuracy and quality, but not necessarily cost performance. Therefore, in many cases it is not commercially practicable to apply arms technology to civilian production. Moreover, strict restrictions have been placed on the application of defense technology to civilian production, though weapons are purchased without fail by the government at prices that include production cost and profits.

It is not easy to apply defense technology to civilian production, or FSX technology to bullet train production. Conversely, the application of civilian technology to arms production is expanding.

Technical Cooperation With United States

In mid-May, executives of Japanese and U.S. munitions companies—including MHI, Ishikawajima-Harima Heavy Industries Co., Westinghouse Electric Corp., and Motorola Inc.—gathered at Vanderbilt University in Nashville, Tennessee to discuss defense technology exchanges. A report on the results of the discussion compiled for Japanese participants says: "In the new type of Japan-U.S. cooperation being considered by the U.S. Government, there should be a tangible flow-back (into the United States) of Japanese technology for civilian products (and munitions) in return for the introduction of U.S.-made weapons to Japan. The best way to create (this) flow is cooperation between (Japanese and U.S.) companies."

Following the end of the Cold War between the East and West, restraining and reducing defense budgets has become the main trend. In such a situation, the Japanese defense industry appears to be trying to find a way out of its difficulties through technical cooperation with the United States. Such cooperation will also support the "Perry initiative" proposed by U.S. Secretary of Defense William Perry.

The "initiative" calls for Japan to transfer its civilian production technology or those used for both arms and civilian production, in exchange for the transfer of U.S. weapons technology to Japan. The idea is based on a "high-tech defense theory," which proposes a reduction in the huge U.S. defense budget, a drag on its economy, through cutting as many heavy armaments and military personnel as possible, developing weapons of overwhelmingly high capability with advanced technology and using them as main defense equipment, and possessing the necessary minimum of such weapons.

Japanese companies have long been very cautious of transferring their civilian production technology and

techniques used for both civilian and weapons production to the United States because of fear that "if high technology for civilian products is transferred to the United States, Japan will lose its superiority in civilian production and the United States will hold a dominant position instead."

Nonetheless, at the meeting in Nashville, Japanese firms said: "We will let the U.S. defense industry actively use Japanese civilian production technology on a commercial basis." Behind this remark lies the fact that the Japanese defense budget's reduction has rapidly been shaving their profits.

Although the Mid-Term Defense Buildup Plan (effective from FY 1991 until FY 1995) started with a budget totaling 22.75 trillion yen [Y], the amount was reduced by Y580 billion at the end of 1992. Moreover, the projected defense budget growth rate for FY 1995, which was decided on in late July, has been held down to a record-low of 0.9 percent.

Ambition for Conversion of Defense Industry to Civilian Production

In early August, U.S. Vice President Al Gore announced the Clinton administration's basic science policy, which noted the need for the United States to work to take the initiative in the world's technological field and to promote cooperation among industrial, government, and academic circles. Technological commentator Nishin Kaminuma, who is familiar with U.S. industrial policies, said: "In the science policy, I sense U.S. ambition to promote the conversion of defense industry to civilian production in the post Cold War era."

If what he said is correct, the United States may use Japanese civilian production technology—if transferred—to cut its defense budget through the development of high-tech weapons and to promote the conversion of the defense industry to civilian production. This could be an ambitious plan for "arms reduction" drawn up by the United States.

Meanwhile, Tokyo is also trying to effectively use its defense budget through the utilization of high technology. However, it has no idea about what the defense industry should be like in the future.

The Japanese defense industry earns Y1.9 trillion annually, which is merely 0.6 percent of the total profits earned by the all industries combined. However, the number of people working at small-and medium-size companies that serve as subcontractors for major munitions firms is between 150,000 and 200,000. This figure is almost the same as that in the automobile industry, which is the largest in Japan in terms of the number of people working for it.

Technology flow-back into the United States may help preserve defense technology and the production base. But it will not create an area where the excess equipment and labor force resulting from defense budget cuts can be

used. The technology flow-back does not give an answer to "arms reduction," including what the defense industry should be like in the future.

DA Begins Research, Development on 'CX'

OW2508144394 Tokyo MAINICHI SHIMBUN in Japanese 23 Aug 94 Morning Edition p 1

[Text] On 22 August, it was learned that the Defense Agency [DA] has launched a research project to develop the "CX," the next-generation tactical transport aircraft that Japan plans to build using only Japanese technology. The new aircraft will have a range of 6,000 km, which is 1.5 times that of the current model in service. On 12 August, the prime minister's advisory panel on defense affairs submitted a report which included a recommendation to improve long-range transport capabilities in connection with the issue of deploying troops in UN peacekeeping operations (PKO). The DA had conducted its research project with this in mind. The advisory panel's report has also called for actively tackling the DA's idea on utilizing reconnaissance satellites, which was revealed earlier, and the theater missile defense (TMD) program, on which private companies are currently carrying out research. Thus, the contents of the report, which fall in line with defense officials' future defense concepts, have come into focus once again.

Research work on the CX was begun by the DA's Technical Research and Development Institute [TRDI] in the FY 1993 research program. Those participating in the research project are Mitsubishi Heavy Industries, Ltd., Kawasaki Heavy Industries, Ltd., and Fuji Heavy Industries, Ltd., which successively submitted conceptual blueprints late last year.

Kawasaki has suggested three airframe configurations: one weighing 75 tons, another 120 tons, and the third 150 tons. As for engine configurations, the company presented several models, including a twin-engine setup and a setup using four V-2500 engines which have been jointly developed by Japan, the United States, and Europe for commercial passenger airliners. Fuji has proposed a 130-ton airframe fitted with four engines.

Currently, the Self-Defense Forces use the C-1, a domestic transport aircraft with a range of 1,300 km, and the U.S.-made C-130H, which has a range of 4,000 km. There are in some quarters of the DA officials who take a cautious attitude, because they are concerned that developing a new domestic aircraft may provoke the United States. Some officials in defense-related industries have even argued that the new aircraft "should be imported" (as stated by an official at a major trading firm).

The report by the advisory panel expressly states that "it is necessary for Japan to possess long-range transport aircraft (abridged) from the viewpoint of participating in PKO and other activities."

Kazuo Ofuru, chief of the DA's Public Information Division, says: "Currently, the project is at the stage where the TRDI and the Air Staff Office are conducting research. There have been no bureau-level discussions yet on policy decisions."

LDP Panel Urges Factions To Disband by Year-End

OW2608085794 Tokyo KYODO in English 0837 GMT 26 Aug 94

[Text] Tokyo, Aug. 26 KYODO—A Liberal Democratic Party (LDP) panel on Friday urged the five LDP factions to disband by yearend and declared that faction bosses are no longer allowed to distribute funds to secure members' allegiance.

The panel, headed by former Labor Minister Mitsuo Horiuchi, handed the recommendations to Foreign Minister Yohei Kono, who is concurrently the LDP president, at a meeting at the LDP headquarters in Tokyo.

The panel's report, the fruit of a one-year study of ways to clear up the public image of the scandal-marred party, says, "the political office of each faction must be shut down by yearend."

The report also said the 295-legislator LDP, the largest party in the current coalition administration of Prime Minister Tomiichi Murayama, "no longer allows factions to provide political funds or exert their influence over personnel affairs of the party."

However, it quickly added that factions are allowed to transform themselves into "policy study groups or socializing clubs" if they renounce their current main function as a channel for the distribution of political funds.

Kenzo Muraoka, a member of the panel, said, "although the report mandated the closure of the faction offices, it is possible for the factions to keep their organizations as policy study groups."

Before the LDP was ousted from power in a 1993 general election, its factions acted as virtual miniparties whose bosses took power in turn through intraparty power struggle, while cementing the solidarity of their factions by the strategic funneling of election funds.

The report also recommended that the party set up 11 groupings of LDP legislators, one in each of the 11 electoral blocs created by the newly-legislated electoral system reform act.

The law replaces the existing multiseat constituencies for the House of Representatives with a mix of single-seat constituencies and proportional representation, under which legislators are elected from 11 blocs in accordance with lists of candidates submitted by each party for each of the 11 blocs.

The panel also proposed establishing a panel of LDP executives to handle personnel matters, such as the allotment of cabinet posts and the party's executive posts, another longtime function of factions.

Reorganization of SDPJ Policy Groups Under Way

OW2508122894 Tokyo NIHON KEIZAI SHIMBUN in Japanese 22 Aug 94 Morning Edition p 2

[Text] A rapid reorganization of policy groups formed by rightists in the Social Democratic Party of Japan [SDPJ] is under way. The "Democrats" (headed by Churyo Morii), the biggest group in the SDPJ, have been forced to suspend their activities, and the New Policy Council (headed by Ittsei Inoue), the biggest rightist group in the SDPJ, has been disbanded. In their place, two "proestablishment groups" that support the Murayama government but seek party reform, and two "antiestablishment groups" that oppose the coalition formed by the Liberal Democratic Party [LDP] and the SDPJ and envision a breakaway from the SDPJ, have been formed. In December 1993, eight rightist groups in the SDPJ formed the "Democrats," which later split into four rightist groups because of their differences following the birth of the Murayama government.

The "Democrats" and the New Policy Council opposed the SDPJ's forging any coalition with the LDP shortly before the Murayama government was inaugurated. In the previous prime ministerial election, however, most members of the "Democrats" and the New Policy Council voted for Chairman Murayama, showing the lack of their cohesion. Some members of the "Democrats" are joining the "Council for the Promotion of Social Democratic Politics in Support of the Murayama Government" (headed by Sekisuke Nakanishi), which supports Prime Minister Murayama.

Of the four groups that were newly formed, two groups support the Murayama government. One group is the "Forum 94" created by 13 former cabinet ministers and senior party officials, including Sadao Yamahana, former minister in charge of political reform; former Home Affairs Minister Hajime Sato, and Kosuke Uehara, former National Land Agency director general. Another group has been created by Dietmen Masanori Goshima and Jusuke Iwada, and other Dietmen who once worked for the All-Japan Prefectural and Municipal Workers Union.

The "Forum 94" has already held five meetings, while inviting SDPJ Secretary General Wataru Kubo for an exchange of opinions. Party insiders are deriding the "Forum 94" as a "fraternal group formed by people craving cabinet posts." Goshima, Iwada, and 20 others held a study session in late July to confirm that they will seek to strengthen ties with Sakigake [Harbinger].

In contrast to the "Forum 94," former members of the New Policy Council, including Dietmen Ikuo Horikomi

and Masao Sakon and Shoji Motooka, a member of the House of Councillors and a former leading member of the "Democrats," are critical of the Murayama government. In the previous prime ministerial election, they voted for former Prime Minister Kaifu against the party's decision.

A group formed by Horikomi and others is mulling the possibility of joining a new-new party to be formed by nine parties and parliamentary groups with the exception of the Japan Communist Party, while seeking an opportunity to break away from the SDPJ. Some of them are moving to explore the possibility of forging ties with the "Forum 94" by attending its meetings.

A group formed by Motooka and Kazuo Oikawa, a member of the House of Councillors, has joined the Democratic Socialist Party in forming the "Council for the Promotion of a Reformist Coalition Government Against the LDP-SDPJ Coalition." The group aims to use the council to rally social democratic forces in anticipation of forming a "Rengo [Japanese Trade Union Confederation] new party."

Meanwhile, the "Sun," the ultraleftist group in the SDPJ, has joined the "Council for the Promotion of Social Democratic Politics in Support of the Murayama Government."

Dismissed Official Appointed Ministry Adviser

OW2508124594 Tokyo KYODO in English 1231 GMT 25 Aug 94

[Text] Tokyo, Aug. 25 KYODO—A former senior trade ministry official who was removed from his post last year will be appointed as a ministry adviser to attend international meetings, a top ministry official said Thursday [25 August].

The official, who asked not to be identified, made the comment concerning Masahisa Naito, former chief of the Industrial Policy Bureau at the Ministry of International Trade and Industry (MITI). Naito was forced to resign last year by then Trade Minister Hiroshi Kumagai for alleged favoritism in personnel matters within MITI.

Insiders say Trade Minister Ryutaro Hashimoto, a leading member of the Liberal Democratic Party (LDP), supported the proposed appointment for Naito, who is said to be close to the LDP. Naito is also likely to become an adviser to Sanwa Bank, financial sources have said.

Uncertain Prospects for Administrative Reform

OW2508103994 Tokyo YOMIURI SHIMBUN in Japanese 21 Aug 94 p 3

[Editorial: "Is the Murayama Government Capable of Achieving Administrative Reform?"]

[Text] From the beginning, a sense of uncertainty has cast a shadow over the Murayama coalition government as to whether or not it can carry out administrative

reform. The assessment of the Murayama government—of whether it will revert to “dango politics” [the mutual exchange of favors], which was the flip side of the 1955 political structure—also depends on whether or not it can carry out the reform necessary to wipe out such uncertainty.

One of the reasons why the Murayama government’s “administrative capability” is being questioned is apprehension that the Liberal Democratic Party’s return to power might lead to the revival of a collusive structure of “politics, the bureaucracy, and business.”

Moreover, because of its characteristic dependence on public sector labor unions, the SDPJ under the 1955 structure was the “accomplice” of LDP members who were identified as the ones working for special interest groups in applying the brakes to administrative reforms. It was a structure of collusion between “politicians, bureaucrats, and businessmen,” and “labor.”

In these circumstances, it is worth noting the reform bill on special corporations that Sakigake [Harbinger], one of the parties in the coalition government, has submitted to the administrative reform project team of the three government parties.

It requires that all 92 currently existing special corporations be subject to adjustments and rationalization. Through privatization of 13 corporations such as the Teito Rapid Transit Authority (Eidan subway) and the Japan Development Bank, and through the abolition of three corporations such as the Livestock Industry Promotion Corporation and so on, government spending will be reduced by 1,700,000,000,000 yen per year. At the same time, over a 10-year period, income of 16 trillion yen, over and above tax revenues, is anticipated.

As for the issue of special corporations, from the spring to the summer of last year, when the Third Council for Administrative Reform (chairman, Eiji Suzuki) sought to carry out a study prior to making its recommendations, all the government offices concerned refused to participate in the hearings. There is no precedent for the bureaucrats’ having come out so strongly, to such a naked degree, for the “benefit of the authorities” and the “benefit of their ministries.”

What made such a bureaucratic attitude possible was the pressure applied on the Council for Administrative Reform by LDP special interest Diet members who spoke for the “authorities’ benefit” and the “ministries’ benefit.” The impending general election was an added factor. They questioned the Council for Administrative Reform as to whether “it intended to interfere in the election” and pressed it to give up special-corporation reform.

There are cabinet members in the Murayama government who maintain that “for Diet members to act for special interests is itself not at all wrong.” This, however, is to ignore the past.

In fact, as for Sakigake’s reform bill, there are already some bureaucrats who have come to “expect” that the special interest LDP Diet members, in keeping with past practice, will mutilate the bill.

Moreover, there is the historical fact that the SDPJ and Sakigake originally began their joint study of this reform bill during the Hosokawa government. The SDPJ, however, withdrew out of consideration for the labor unions concerned. In other words, there is the fear that the same line that the special interest LDP Diet members used last year when they crushed the reforms [being studied by the Administrative Reform Commission] will now be utilized by special interest Diet members from the SDPJ.

There must be room for substantial discussion on whether the contents of the reform bill are totally appropriate, on whether the projected figures for reductions in spending and income in addition to taxes are correct, and so on. They must not, however, again cut off the discussion itself. It may please the bureaucrats, but it is a disgraceful thing for the political parties and the politicians.

If he can not even touch the special-corporation issue, about which all sorts of problems have long been pointed out, Prime Minister Murayama is not qualified to use the words “administrative reform.”

Panel To Ask NTT To Show Improvement Plan

*OW2508163194 Tokyo KYODO in English 1523 GMT
25 Aug 94*

[Text] Tokyo, Aug. 25 KYODO—The head of an advisory panel to the telecommunications minister said Thursday [25 August] it will call on Nippon Telegraph and Telephone Corp. (NTT) to show a plan to substantially improve the financial position of the telephone number inquiry service division, which suffers from a chronic deficit.

Shigemichi Sonoyama, chairman of the Telecommunications Panel of the Telecommunications Council, was commenting at a news conference on NTT’s application to raise the rates of its telephone number information service.

The present charge is 30 yen per inquiry.

Under present plans, the charge for the first inquiry will be left unchanged at 30 yen, but rates for second and subsequent inquiries will rise to 60 yen each if a subscriber uses the service more than once a month.

For inquiries between 11 p.m. and 8 a.m., the rate will be fixed at 60 yen per inquiry, regardless of whether it is the first use of the service that month.

The division posted a 160.6 billion yen operating loss in fiscal 1993 ended March 31.

NTT said that even if the proposed raise is fully approved, the division will register a 117.3 billion yen operating loss in fiscal 1996.

Keidanren To Reform 'Private Bureaucracy'

OW2508094294 Tokyo NIHON KEIZAI SHIMBUN in Japanese 16 Aug 94 Morning Edition p 5

[Text] The Japan Federation of Economic Organizations [Keidanren] will start reforming its secretariat. Measures to invigorate Keidanren's activities in personnel fields such as restructuring—including streamlining its committees, personnel exchanges with corporations, and a review of the seniority system—are being suggested. It seems that these reform measures will be discussed at a meeting between Keidanren's chairman and deputy chairmen in September. Keidanren's secretariat is called a "private bureaucracy." However, Keidanren decided that it is necessary to change its secretariat to suit the new era following the collapse of the 1955 regime of Japanese politics.

The idea of reforming the secretariat was proposed by Keidanren Deputy Chairman Isao Nakauchi (president of Daiei, Inc.), Kenji Kawakatsu (adviser to the Sanwa Bank), and Yutaka Kume (chairman of the Nissan Motor Company). After receiving the proposal, Chairman Eiji Toyoda decided to take up reform plans for discussion at the meeting slated to be held in September. Keidanren executives think it is necessary to strengthen Keidanren's function as a think tank. At the same time, they also call for a reform of the secretariat.

Concrete reform plans will be discussed in detail later, but it seems that as is the case in private corporations, the streamlining and invigoration of the secretariat will be the pillar of the reform plans. Nakauchi stressed the need to review the seniority and lifetime employment systems, saying, "We need to review the system of compartmentalized organization, and to put the right people who are capable of making proposals in the right positions."

Kawakatsu, deputy chairman of the Hagura Council (and adviser to the Daiichi Kangyo Bank), is calling for personnel exchanges with private corporations, saying: "Members of the secretariat are well educated. But they are lacking actual business experience. How about inviting specialists from outside?" As for restructuring the organization, Deputy Chairmen Kume and Sekimoto (who is chairman of the NEC Corporation) stress the need to streamline the secretariat, saying that "we have too many people in the secretariat."

During the 1955 regime of Japanese politics, Keidanren acted as a contact point between politics and private companies. It played the role of intermediary between central government agencies and private companies. However, because of the abolition of mediation in making political donations following the collapse of the 1955 regime and also for other reasons, Keidanren's existence itself is being questioned. Keidanren aims to expand beyond its present scope and to become a "think tank which puts ideas into action," according to Nakauchi. The reform of the secretariat will be a part of the change.

Official on Proposed Insurance Law Revision

OW2508115694 Tokyo KYODO in English 1119 GMT 25 Aug 94

[Text] Tokyo, Aug. 25 KYODO—Insurance companies will not be obligated to join a planned public corporation to provide help to insurers in financial trouble, Finance Ministry officials said Thursday [25 August].

The officials made the remark while commenting on the proposed revision of the insurance law, including a plan to establish the corporation.

Commercial banks, in comparison, are legally required to join the government-backed deposit insurance corp. that provides help to financially troubled commercial banks. The officials said insurance companies have less public importance to society than banks.

Critics said, however, the Finance Ministry proposal could put insurance policyholders at financial risk by failing to provide protection to troubled insurers. The revised law would also allow life and nonlife insurance companies to enter each other's markets, contributing to intensified competition in the industry.

The outstanding balance of life insurance policies in Japan as of March 31 topped 2,000 trillion yen, and industry estimates show the market will keep expanding in the coming years due to the graying of the Japanese population.

MOF To Reactivate Slumping Stock Market

OW2508120594 Tokyo KYODO in English 1144 GMT 25 Aug 94

[Text] Tokyo, Aug. 25 KYODO—A senior Finance Ministry official said Thursday [25 August] the slumping Japanese stock market should be reactivated through continued efforts to stimulate investments by individual investors.

Sohei Hidaka, chief of the ministry's securities bureau, made the remark at a study meeting in Tokyo of the Japan Securities Dealers Association. About 260 executives of Japanese brokerages attended the meeting.

Hidaka, expressing concern over the low stock trading volume in July and August following active trading earlier this year, said the ministry will work out a package of measures by the end of the year to improve securities investment trusts through stronger disclosure requirements. The package will be compiled in response to a report issued in June by an investment trust study group of the ministry, he said.

Wheat, Barley Harvest Likely To Decline

OW2508053194 Tokyo KYODO in English 0506 GMT 25 Aug 94

[Text] Tokyo, Aug. 25 KYODO—This year's wheat and barley harvest across the country is projected to fall 13

percent from the previous year to 802,200 tons, the Agriculture Ministry said Thursday [25 August].

According to the Agriculture, Forestry, and Fisheries Ministry, the total harvest in 46 prefectures excluding Hokkaido dropped 24 percent to 430,400 tons.

In Hokkaido, the largest wheat-producing prefecture, the total harvest of rye and two types of barley, which are used mainly for beer and fodder, and of wheat, used mainly for bread and noodles, is expected to rise 5 percent to 371,800 tons, the ministry said.

The decline in regions other than Hokkaido is due to the easing of the government's policy of reducing rice production following the poor rice harvest last year, ministry officials said.

Compared with the previous year, the area of land devoted to wheat, barley and rye shrank 18.2 percent to 48,600 hectares.

Recycling Pump Failure Shuts Nuclear Reactor

*OW2608093394 Tokyo KYODO in English 0904 GMT
26 Aug 94*

[Text] Kanazawa, Japan, Aug. 26 KYODO—Hokuriku Electric Power Co. said Friday [26 August] it halted the operation of a nuclear reactor in Ishikawa Prefecture after one of the two recycling pumps broke down earlier in the day.

The firm based in Toyama, Toyama Prefecture, reported to the Ishikawa Prefectural Government earlier Friday that there was no danger of radioactive contamination arising from the accident at the Shika nuclear power plant's reactor No. 1, and continued operation of the 540,000-kilowatt boiling-water-type reactor at a reduced output.

The company gave no reason for deciding to shut down the reactor. The Kanazawa District Court on Thursday rejected a request by 200 residents for closure of the nuclear power plant.

North Korea

23-24 Aug 'Ulchi Focus Lens War Exercise' Noted

*SK2608052094 Pyongyang KCNA in English 0427
GMT 26 Aug 94*

[“'Ulchi Focus Lens' Exercise Escalated”—KCNA headline]

[Text] Pyongyang, August 26 (KCNA)—The South Korean puppets on August 23 and 24 escalated the “Ulchi Focus Lens” war exercise in league with the U.S. imperialists, aggravating the situation on the Korean peninsula, according to military sours.

On August 24, 20 odd Japan-based fighter planes staged an exercise of an air battle and intensive bombing on

ground targets together with 310 fighter planes belonging to the a U.S. Seventh Air Force and the puppet airforce in the sky above Anmyon. [Word indistinct] and Tokjok islets of South Korea.

On the previous day, a group of more than 30 puppet combatant warships on the West Sea of Korea staged an exercise of strike at warships and submarines, and tank, armored vehicle and motorized infantry units deployed in Kapyong and Chunchon areas of South Korea carried out an exercise of attack operation against the North with the support of fighter planes.

That day, artillery and tank groups of the South Korean puppet army fired hundreds of shells at random in the areas of Chorwon County, South Korean Kangwon Province, and Yonchon and Paju Counties, Kyonggi Province, the foremost frontline areas.

Groups Condemn Kim Yong-sam 'Fascist Offensive'

*SK2608105494 Pyongyang KCNA in English 1046
GMT 26 Aug 94*

[Text] Pyongyang, August 26 (KCNA)—The Consultative Council of former South Korean politicians in the North for the promotion of peaceful reunification and the Korean Council of Religionists issued statements today denouncing the Kim Yong-sam fascist clique for mounting a wholesale fascist offensive against the pro-reunification patriotic forces in South Korea after establishing a murderous “new security-oriented rule.”

The organisation of former South Korean politicians in its statement said: The Kim Yong-sam group brutally suppressed the participants in the 5th Seoul Pan-National Rally and launched a frantic repressive campaign against the patriotic students who call for independence, democracy and reunification, brandishing them as “extreme leftist forces.” This is its last-ditch effort to tide over the crisis of the “civilian government” which has reached the critical point.

It expressed the belief that the political parties, groupings and personages in South Korea desirous of national reunification would courageously rise up in the struggle to overthrow the Kim Yong-sam group of heinous traitors and human derelicts and get the “National Security Law” scrapped.

The Korean Council of Religionists in its statement said: The Kim Yong-sam fascist clique, regarding the “National Security Law” as a “guardian deity,” is openly suppressing the people by invoking the law, though its abolition is demanded in South Korea and abroad. This is a criminal act that can be committed only by heinous traitors estranged from the times and the nation.

The statement called on all believers in South Korea who want peace and reunification of the country to turn out as one in the struggle to overthrow the traitor Kim Yong-sam, a quack believer and political prostitute.

Interview With South Korean Defector Reported*SK2508105694 Pyongyang KCNA in English 1034
GMT 25 Aug 94*

[Text] Pyongyang, August 25 (KCNA)—Ho Chong-man, 57, who came over to the northern half of Korea some time ago was interviewed by home and foreign reporters here on August 25.

Before the press conference began, Ho Chong-man honored the memory of the great leader President Kim Il-song with a moment's silent tribute.

Born in Tochon-tong, Chungmu City, South Kyongsang Province, Ho engaged himself in fishing and earth digging at construction sites and other jobs, after finishing the high school course, till he took up brokerage in real estate in 1987. He lived in Koyo-tong, Songpa District, Seoul, before coming over to the North. There are his wife and sons and daughters in Seoul.

Explaining the motive of his coming over to the North, he said his earnest desire was to live in a society where he would be treated as a human-being and he became convinced through various channels that the society of the North was a welfare society for the people where the working people live a life of equality.

He said the most important motive of his defection was his wish to follow the great leader. "Upon hearing the heart-rending news that respected President Kim Il-song passed away suddenly, I determined to come to the North and mourn his death, representing the minds of the South Korean people," he added.

Answering questions put by the reporters, Ho said he could not forget the painful sight of the people all over the country calling the respected president, beating their chests in bitter grief at the loss of the leader. "Seeing the dear leader Comrade Kim Chong-il and the people who rose up, changing the irrepressible sorrow into strength, I deepened my belief that the North has a matchless strength of the singlehearted unity of the leader and the people who are firmly united in a large harmonious family," he added.

He further said:

"At a time when the entire fellow countrymen were overwhelmed with grief at the loss of the president and the world was expressing deep condolences, the Kim Yong-sam group threw behind bars and suppressed at the point of the bayonet the people who wanted to express condolences. This was a folly which no human being could commit. Kim Yong-sam is, indeed, a human derelict inferior to the beasts, who is ignorant of morality and courtesy and has not an iota of national conscience".

And he said Kim Yong-sam is a political prostitute who betrayed democracy and people, joining the "Liberal Party", then the "Democratic Party" and then the "Democratic Justice Party" to claw his way to power and

a flunkeyist traitor following foreign forces more zealously than the preceding military dictators.

"It is signs of downfall that the South Korean rulers are establishing a fascist 'security-oriented rule', launching an anti-North campaign," he said, and added: "The days of Kim Yong-sam are numbered".

He vowed to do what little he could for national reunification, true to the wise guidance of the respected leader Kim Chong-il.

Journalists on ROK 'Security-Oriented Rule'*SK2508110994 Pyongyang KCNA in English 1041
GMT 25 Aug 94*

[Text] Pyongyang, August 25 (KCNA)—The Central Committee of the Korean Journalist Union issued a statement today bitterly denouncing in the name of the entire journalists and men of the press in the northern half of Korea the Kim Yong-sam group's brutal suppression of the patriotic national democratic forces under the unheard-of "new security-oriented rule."

The statement brands the suppression as a never-to-be-condoned crime aimed at blocking the patriotic action of the South Korean people for independence, democracy and reunification.

The statement says:

The frantic fascist suppression by the Kim Yong-sam group is a ridiculous wriggle to tide over the serious political crisis in which it is isolated within and without and a foolish stopgap measure to turn back the public sentiments running to the North and find a way out in extremely aggravating the North-South relations.

The reality shows that with such traitor and human-butcher as Kim Yong-sam left alone, it is impossible to expect independence and democracy in South Korean society and national reconciliation and reunification.

Watching the traitor Kim Yong-sam, who cannot be regarded as a fellow countryman or a human being, acting rashly on the script written by the "Agency for National Security Planning," [ANSP] the entire nation foresees his destruction tomorrow.

For the Kim Yong-sam group whose days are numbered, such fascist law as the "National Security Law" and the puppet ANSP can no longer be an "amulet" or a means of prolonging its days. He has no alternative but to go to his grave, along with the "National Security Law" rejected at home and abroad.

The South Korean journalists and men of the press should be pioneers of the times and mouthpieces of public opinion. So, they should roundly expose the heinous crimes of the Kim Yong-sam group to the world with the pen of justice and discharge the noble mission and duty they have assumed to the times and history in the struggle to overthrow the "civilian" fascists.

Photo Exhibit Commemorates Hanminjon Anniversary

*SK2508062394 Pyongyang KCNA in English 0518
GMT 25 Aug 94*

[Text] Pyongyang, August 25 (KCNA)—A photo exhibition opened here on August 24 on the occasion of the 25th anniversary of the founding of the South Korean National Democratic Front (Hanminjon) under the sponsorship of the Pyongyang mission of Hanminjon.

Exhibited there are pictures showing that the people in the South are highly praising the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il as the sun of the nation and the lodestar of reunification in teeth of fascist repression.

Among them are pictures showing the anti-U.S. struggle for independence, anti-fascist struggle for democracy and the movement for national reunification which have been expanded among the people in the South with the Kwangju democratic resistance in May 1980 as an occasion.

Invited to the opening ceremony were Choe Tae-pok, alternate member of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, Chang Chol, vice-premier of the Administration Council, Yu Mi-yong, chairperson of the Central Committee of the Chondoist Chongu Party, and officials concerned.

Present there were many working people in Pyongyang and overseas Koreans staying in the homeland.

The participants in the opening ceremony first observed a moment's silence in memory of President Kim Il-song.

Yi Chong-sang, chief of the Pyongyang mission of Hanminjon, made an opening address.

The photo exhibition will be open till September 30.

Hanminjon Letter to Kim Chong-il Marks Founding

*SK2508105594 Pyongyang KCNA in English 1025
GMT 25 Aug 94*

[Text] Pyongyang, August 25 (KCNA)—The dear leader Comrade Kim Chong-il received a letter August 25 from the Central Committee of the South Korean National Democratic Front (Hanminjon) on the 25th anniversary of its founding.

The letter says:

The founding of the revolutionary party for reunification, the former self of Hanminjon, was a historic declaration of the brilliant victory of chuche-based idea and theory of party building in South Korea and a proud political event which set up a new milestone in the movement for a social change under the banner of chuche.

Hanminjon has covered a new path of its development by conducting party building and activity under the banner of great Kimilsongism- Kimchongilism and achieved tangible successes and progress in this course.

In the course of the movement for a change, Hanminjon has consolidated the backbone force with vanguard elements who have an unshakable chuche outlook on the revolution and on the leader and strengthened it into a steel-like unit firmly ensuring uniformity of idea and leadership. It has grown to be a resilient, militant and invincible vanguard organisation which is deeply rooted among the masses of broad segments and has gained a weight of experience in continuous struggles.

The proud victory and achievements in the movement for a change in South Korea have been possible because we have you, the great leader Comrade Kim Chong-il, a brilliant thinker and theoretician and savior of the nation's destiny, and the invincible banner of Kimilsongism-Kimchongilism is fluttering in the van of our struggle.

We will promote the modelling of Hanminjon on Kimilsongism- Kimchongilism and consolidate the whole ranks as a chuche-type vanguard unit of the masses, with the national honour of having you sagacious Comrade Kim Chong-il as the outstanding leader of the nation and a great man peerless for all ages.

Hanminjon and the South Korean people will devotedly fight with a single heart to build a confederal unified state, independent, peaceful and neutral, adhering to the three principles of national reunification— independence, peaceful reunification and great national unity—and the 10-point programme of the great unity of the whole nation, true to the behests of the great leader President Kim Il-song.

The letter sincerely wishes a long life in good health to the great leader Comrade Kim Chong-il, a genius of thought and leadership, an ever-victorious iron-willed brilliant commander, a peerless great man and the lodestar of national reunification.

Articles Dedicated to Hanminjon's Anniversary

*SK2508064394 Pyongyang KCNA in English 0601
GMT 25 Aug 94*

["Cause of Hanminjon Is Just"—KCNA headline]

[Text] Pyongyang, August 25 (KCNA)—NODONG SINMUN and MINJU CHOSON today dedicate articles to the 25th founding anniversary of the South Korean National Democratic Front (Hanminjon).

The founding of the revolutionary party for reunification, the predecessor of Hanminjon, on August 25, 1969, was a precious fruition of the bloody struggle for the building of a chuche-based vanguard party and was a historical event of epochal significance in the movement

for changing the South Korean society, the author of the NODONG SINMUN article says, and continues:

The 25 years of Hanminjon have been a period of a worthwhile struggle which it has vigorously waged to strengthen itself to be invincible forces, change the society and win national reunification under the banner of the great chuche idea, in teeth of the uninterrupted reactionary offensive by the fascist authorities of South Korea, a colony.

Hanminjon set it as its basic political programme to put an end to the colonial rule and establish an independent government of the nation in South Korea and has closely combined the anti-U.S. struggle for independence with the anti-fascist movement for democracy and the movement for the country's reunification.

The programme and the slogan of Hanminjon, which have enjoyed full support and trust from the popular masses, have been accepted by them as the guiding compass of their struggle. And a great turn has been effected in the movement of changing the South Korean society with the massive and patriotic action of the people of various social strata.

The main characteristic of the developments in South Korea is that the crisis of the colonial fascist regime is assuming serious dimensions with the confrontation between the national independent forces and the flunkeyist and traitorous forces, between the democratic forces and the fascist forces, between the pro-reunification forces and the separatist forces getting acute.

At a time when the nation is in deep grief, the Kim Yong-sam fascist clique has gone off into unheard-of fascist hysterics to remove members of the South Korean federation of general student councils (Hanchongnyon) and other patriotic students and national democratic pro-reunification forces, calling them "forces seeking to overthrow the system."

The South Korean students and people, aware that nothing can be solved with Kim Yong-sam left intact, are rising up in a death-defying struggle for overthrowing the "civilian" group of traitors. This is entirely just.

The three principles of national reunification, the proposal for founding the Democratic Confederal Republic of Koryo and the 10-point programme of the great unity of the whole nation laid down by respected Comrade Kim Il-song, the great father of the nation, are his behests for reunification which our nation must implement without fail.

All the members of Hanminjon and patriotic people of all walks of life will achieve the reunification in the '90s at any cost, holding in high esteem sagacious Comrade Kim Chong-il, an outstanding great man respected by all the people, as ever as the defender of their destiny and

the lodestar of reunification thus successfully realising the wish of the fatherly leader in his lifetime, his behests for reunification.

MINJU CHOSON stresses in the editorial article that the cause of Hanminjon and the South Korean people for national independence will surely emerge victorious.

Choe Tae-pok Delivers Speech on SKNDF Anniversary

SK2608090394 Pyongyang Korean Central Broadcasting Network in Korean 1110 GMT 24 Aug 94

[Speech by Choe Tae-pok, alternate member of the Workers' Party of Korea (WPK) Central Committee Political Bureau and secretary of the WPK Central Committee, on the 25th anniversary of the founding of the South Korean National Democratic Front (SKNDF) at a central report meeting held at the Central Youth Hall in Pyongyang on 24 August—recorded]

[Excerpts] Comrades: Today, when all people across the country are turning into strength and courage their great sorrow over the loss of the great leader Comrade Kim Il-song, the nation's great sun and father and the lodestar of the fatherland's reunification, and are vigorously accelerating their march to achieve the fatherland's reunification and complete the chuche revolutionary cause in hearty response to the will of the leader [sur-yongnim], we are meaningfully marking the 25th anniversary of the founding of the South Korean National Democratic Front [SKNDF], the South Korean people's genuine patriotic vanguard organization.

On this day, all people in the northern half of the republic emotionally recall the indomitable struggle and militant road of the SKNDF, which is courageously cultivating the stern road of the anti-U.S. and antifascist struggle under the banner of the immortal chuche idea. They are also filled with a resolve to more resolutely fight to hasten the fatherland's independent, peaceful reunification using independent national strength.

On this occasion as we mark the 25th anniversary of the SKNDF's founding, I am authorized by the Workers' Party of Korea [WPK] Central Committee to extend warm congratulations and militant greetings to the SKNDF Central Committee and its vanguard fighters for having persistently walked the road of the sacred struggle for independence and democracy in South Korean society and the road of the fatherland's reunification. [applause]

I also recall with reverence the memory of the SKNDF vanguard fighters and patriotic martyrs who met their heroic end in the sacred war for independence, democracy, and reunification. To them I express my noble respect. [applause]

I extend warm brotherly greetings to the South Korean workers, peasants, young people and students, intellectuals, religionists, and people from all other walks of life

who, along with the SKNDF, are vigorously waging the struggle for national liberation, democracy, and the fatherland's independent, peaceful reunification in defiance of the harsh suppression of the fascist divisionist elements. [applause] [passage omitted]

Today, the South Korean people, eternally cherishing deep in their hearts the leader's [suryongnim] great image, are consolidating their resolve to his will on reunification at all costs, even though the nation's benevolent father Comrade Kim Il-song, the peerless patriot and legendary hero, passed away. They are also filled with a single burning desire to achieve the sacred cause of reunification in the 1990's by upholding with reverence the respected and beloved Comrade Kim Chong-il, the great inheritor of the chuche cause and the great leader [yongdoja] of our party and people, as the leader [yongsu] of the nation and the lodestar of the fatherland's reunification. [passage omitted]

In a hearty response to the great leader's will, we must uphold the banner of the three revolutions—ideological, technological, and cultural—and bring about new innovations in realizing our party's revolutionary economic strategies, thus further consolidating the main forces of our revolution and more highly displaying the superiority of our-style socialist system and its invincible vitality.

Victory and honor will always be ahead of our people who uphold with reverence the respected and beloved Comrade Kim Chong-il—the destiny of the fatherland and the nation, the lodestar of the fatherland's reunification, and the great leader [yongdoja] of our party and people—and who follow his outstanding and tested leadership. [applause]

Let us all single-heartedly unite around Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, and more vigorously fight to hasten the ultimate victory of the chuche revolutionary cause and the fatherland's independent, peaceful reunification. [applause]

Japan Urged To 'Liquidate' Past 'Crimes'

SK2508064194 *Pyongyang KCNA in English 0551*
GMT 25 Aug 94

["Japan Urged To Honestly Apologize for and Liquidate Its Past Crimes"—KCNA headline]

[Text] Pyongyang, August 25 (KCNA)—If Japan truly hopes for peace and wants to win the confidence of the Asian people, it must make no more delay in honestly apologizing for all its past crimes including massacre of people and properly liquidating them, urges NODONG SINMUN today.

Commenting on the attempt of the Japanese authorities to bury in oblivion the "Ukushima Maru" case on August 24, 1945 and shirk their responsibility, the analyst says the case is a living proof showing how the Japanese imperialists killed Koreans in those days.

The analyst further says:

At that time, the Japanese imperialists took Koreans they had forcibly whisked away to Japan on board the "Ukushima Maru," a special transport ship belonging to the Japanese Navy, with the promise that they would send them back to Korea. While navigating southward, however, they blasted the ship, killing all of the 540 people.

Though nearly half a century has passed since its defeat, Japan has neither admitted nor apologized for its past crimes, while craftily scheming to evade its responsibility. This is also a crime and an open challenge to the Korean people and other Asian peoples who want Japan to properly liquidate its past crimes.

The wrong attitude and position of the Japanese authorities toward Japan's past crimes have resulted in increasing distrust in Japan and anti-Japanese feelings among the Asian peoples.

Japan must clearly know that it can never hush up its past crimes.

Groups Urge Compensation for 'Comfort Women'

SK2508101994 *Pyongyang KCNA in English 1005*
GMT 25 Aug 94

[Text] Pyongyang, August 25 (KCNA)—Maxim, chairman of the working group on modern-type slaves, made a report and the representatives of nongovernmental organisations including the liberation organisation and the International Association of Democratic Lawyers made speeches at the debate on the agenda item "modern-type slaves" at the 46th session of the U.N. Subcommittee on Human Rights recently held in Geneva.

The reporter and speakers said the old Japanese Government and the "Imperial Army" drafted more than six million Koreans as slaves, including some 200,000 "comfort women for the Army," mostly Koreans.

Speeches have been made on more than 90 occasions at meetings of the U.N. Commission on Human Rights since 1992 concerning the sex assault on women by the old Japanese Army and labor forced by Japan, they noted.

The Japanese Government has so far denied this problem, arguing that "the United Nations must not deal with the past problems," they said, branding this as a challenge to the U.N. resolutions and world opinion calling for rescuing the victims of grave human rights violations and preventing their recurrence.

They said Japan's past crimes in the issue of "comfort women for the Army" was a grave human rights violation that must never be repeated in human history in view of its dangerous nature and content and its grave consequences, but these crimes remain unsettled today when humankind is on the threshold of the 21st century.

They strongly urged the Japanese Government to dig up the truth of Japan's crimes concerning "comfort women for the Army" by itself, punish the criminals responsible for it and make an adequate compensation to the victims as a material token of its will to repent of the past and make a new start.

To push this general demand, they suggested that the subcommission should take a step for the withdrawal of the crafty new "measure" lately brought forward by the Japanese Government, deliberate again on the appointment of a special rapporteur for investigation into the crimes of wartime sex slavery and adopt a recommendation for the inclusion of the problem of "comfort women" in the work of the special rapporteur on assaults on women appointed in accordance with the resolution of the 50th session of the U.N. Commission on Human Rights.

They contended that compensation must be made directly to the former "comfort women" as they demanded.

The reporter and speakers urged the U.N. Subcommission on Human Rights to continue to discuss the "comfort women" problem and the struggle to force the Japanese Government to compensate.

Groups Demand Atonement for Japan's 'Crimes'

*SK2608102894 Pyongyang KCNA in English 1023
GMT 26 Aug 94*

[Text] Pyongyang, August 26 (KCNA)—A hearing for delegates of non-governmental organizations participating in the 46th session of the U.N. Sub-Commission on Human Rights was held in Geneva on August 12.

Present at the hearing were a DPRK delegation of the measure committee for compensation to the "comfort women for the army" and the victims of the Pacific War, the chairman of the Association of Koreans in Japan for Human Rights and a delegation of the General Association of Korean Residents in Japan (Chongnyon) and delegates of the fact-finding group on the forcible drafting of Koreans, the Japan Federation of Bar Associations, the International League of Women for Peace and Freedom, the International Association of Democratic Lawyers, the Liberation Organization, the International Organization of Reconciliation and other non-governmental organizations. The recorded video tape "The Past Is Repeated Today" was shown by the fact-finding group on the forcible drafting of Koreans at the hearing to be followed by speeches.

The participants unanimously expressed the opinion that Japan's wartime crimes must be atoned for quickly when the aged victims are alive. They called upon the non-governmental organizations and international organizations to actively cooperate in the United Nations and the world community for an early solution of the issue.

Japanese Delegations Arrive on 24 Aug

*SK2508061794 Pyongyang KCNA in English 0514
GMT 25 Aug 94*

[Text] Pyongyang, August 25 (KCNA)—A delegation of the Japan Committee for Supporting the Independent and Peaceful Reunification of Korea led by Secretary General Hiroshi Wakabayashi, a delegation of officials of the General Association of Korean Residents in Japan (Chongnyon) led by Yi Chun-u, section chief of the Chongnyon Central Standing Committee, for a visit to the socialist homeland and the 221st short-term home-visiting group of Koreans in Japan arrived in Wonsan on August 24.

Delegates Visit Kim Il-song Statue

*SK2508063794 Pyongyang KCNA in English 0531
GMT 25 Aug 94*

[Text] Pyongyang, August 25 (KCNA)—The 221st short-term home-visiting group of Koreans in Japan Wednesday visited the statue of the great leader President Kim Il-song on Mansu Hill in Pyongyang and honored his memory.

The members of the group laid a wreath in the name of the group before the statue of the respected leader President Kim Il-song and observed a silent tribute in deep grief at the loss of the respected leader, the sun of the nation and its tender-hearted father, who devoted his whole life to the country and people and national reunification.

Head of the group Im Chong-hyo, vice-chairman of the Central Standing Committee of the League of Korean Youth in Japan, said that standing at the head of the Korean people today is the respected Supreme Commander General Kim Chong-il, the great heir to the revolutionary cause of *chuche* started by the fatherly leader and the great leader of our people, and vowed to fight with the firm conviction that we will certainly win, led by him, surmounting whatever trial and difficulty.

Chon Yon-ok Attends SRV National Day Film

*SK2608063994 Pyongyang KCNA in English 0437
GMT 26 Aug 94*

[Text] Pyongyang, August 26 (KCNA)—A film show and a friendship gathering took place here Thursday to mark the 49th anniversary of the national day of the Socialist Republic of Vietnam.

Vietnamese Ambassador to Korea Duong Chinh Thuc and his embassy officials were present on invitation.

Chon Yon-ok, vice-chairperson of the Committee for Cultural Relations With Foreign Countries and vice-chairperson of the Korea-Vietnam Friendship Association, other officials concerned and working people in the city were present.

The participants saw the Vietnamese feature film "The Struggle Continues".

Then followed the friendship gathering.

Meeting on Kim Chong-il's on-the-Spot Guidance

SK2508063894 *Pyongyang KCNA in English 0528*
GMT 25 Aug 94

[Text] Pyongyang, August 25 (KCNA)—A meeting took place Wednesday on the lapse of 15 years since the dear leader Comrade Kim Chong-il gave on-the-spot guidance to the International Friendship Exhibition.

The participants observed a moment's silence to honor the memory of the great leader President Kim Il-song with deepest reverence.

On August 25, 1979, giving on-the-spot guidance in the work of the International Friendship Exhibition which had been just opened, the dear leader Comrade Kim Chong-il gave comprehensive answers to all questions, large and small, arising in exhibiting the gifts and permanently preserving them, educating the visitors and managing the building, stressing the position and mission of the exhibition.

In the past 15 years since his historical on-the-spot guidance, the exhibition has made great achievements in permanently preserving great many precious gifts sent to the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il from foreign party and state leaders, prominent figures and people of broad strata and showing around the exhibition more than 1.5 million working people, overseas Koreans and foreigners.

Yu Yong-su, curator of the exhibition, in his report said that today the exhibition has turned into a large treasure house of human culture, a powerful seat for the propaganda of the greatness of the fatherly leader and the dear leader and education in the *chuche* idea. "The exhibition owes all its achievements to the wise guidance of the dear leader," he noted.

Yi Chong-ok at Seminar on Kim Chong-il's Work

SK2608064494 *Pyongyang KCNA in English 0448*
GMT 26 Aug 94

[Text] Pyongyang, August 26 (KCNA)—A national seminar took place here Thursday upon the lapse of 20 years since the publication of a work of the dear leader Comrade Kim Chong-il on August 2, 1974.

Present there were Politburo member of the Central Committee [C.C.] of the Workers' Party of Korea [WPK] and Vice-president Yi Chong-ok, politburo member and secretary of the C.C., the WPK Kye Ung-tae and secretary of the C.C., the WPK Kim Ki-nam, and others.

In the work Comrade Kim Chong-il defined the modelling of the whole society on the *chuche* idea as the general duty of our party work and unfolded a grand

blueprint for modelling the whole party on the *chuche* idea as its prerequisite. He also fully indicated tasks to strengthen the party and the revolutionary units and enhance the party's leadership role and functions as required by the developing revolution.

The seminar heard speeches titled "The Strengthening and Development of Our Party To Be *Chuche*-type Revolutionary Party Is a Great Victory of the Policy for Modelling the Whole Party on the *Chuche* Idea," "Brilliant Embodiment of the Idea of Strengthening the Party's Leadership of Socialist Economic Construction," "Immortal Feat in Establishing the Most Revolutionary Work System and Work Method With the Unitary Guidance of the Leader Combined With the Mass Line in the Whole Party," "Thoroughly Implementing the Policy of Party Work Advanced by the Dear Leader Comrade Kim Chong-il Is a Definite Guarantee for Strengthening and Developing Our Party To Be an Eternal Revolutionary Party of *Chuche* Type", etc.

The speakers said that the famous work of the dear leader is an immortal encyclopedia of party building which indicates the way of inheriting and accomplishing the cause of the leader through generations by building a working-class party into a party of the leader and constantly increasing its leading role.

They explained profoundly the validity and invincible vitality of the *chuche*-based line of party building laid down in the work.

They said the greatness of the work lies in that it is an encyclopedic programme of party building which gives a comprehensive answer to the question of building a revolutionary party of the working class on the basis of the *chuche* idea and with the revolutionary outlook on the leader as the core.

Underlining the significance of the work in the building of a revolutionary party of the working class in the present times, they noted:

It lies in that the work opens up a true road of building a party of the leader by indicating the goal and orientation of building a working-class party on the basis of revolutionary outlook on the leader and giving comprehensive and perfect answers to the questions of principle arising in carrying them into practice.

Its significance also lies in that, with a comprehensive exposition of the theoretical and practical matters cropping up in the party's leadership over socialist economic construction, the work provides a revolutionary guideline with which the working-class party can perform its mission and role as a political organisation leading the whole society, the speakers said.

The significance of the work lies next in that it provides a perfect system and method of party work of the revolutionary party of the working class by an integral

consummation of the method of party work of the great leader and the *chuche*-based system and method of party work, the speakers noted.

It was stressed at the seminar that it is a shining example of the building of a revolutionary party of the working class in our era and a human historic exploit in opening a bright vista for the destiny of socialism and the future of mankind that the dear leader Comrade Kim Chong-il established the *chuche*-based theory of party building and strengthened and developed the Workers' Party of Korea into an invincible party of Comrade Kim Il-song.

Paper: Kim Il-song 'Mighty Weapon' of Revolution

SK2608105594 Pyongyang KCNA in English 1038
GMT 26 Aug 94

["Mighty Weapon and Solid Foundation Provided by Comrade Kim Il-song, Eternal Wealth of Korean Revolution"—KCNA headline]

[Text] Pyongyang, August 26 (KCNA)—MINJU CHOSON today comes out with a by-lined article titled "Mighty Weapon and Solid Foundation Provided by the Respected Leader Comrade Kim Il-song Is Wealth of Eternal Value of our Revolution", which reads in part:

Respected Comrade Kim Il-song was the greatest leader of the working class who performed undying revolutionary exploits of eternal value for the freedom and liberation of the popular masses and the human cause of independence in the whole course of his protracted revolutionary struggle.

The dear leader Comrade Kim Chong-il has said:

"The leader enjoys deepest respect and trust of the people because he has performed undying exploits for the popular masses' cause of independence."

The immortal revolutionary feats performed by the great leader Comrade Kim Il-song in the course of his protracted revolutionary struggle are, above all, that he provided the mightiest weapon with which our revolution can continue to vigorously advance along the road of victory.

The great leader founded the immortal *chuche* idea in his early years and, on this basis, comprehensively propounded new idea, theory and method for completely realising the independence of the popular masses. Here, scientific answers centered on the popular masses have been given to all the theoretical and practical matters arising in advancing the cause of socialism in our era along a straight road ranging from the general line of building socialism and communism based on the formula that the people's power plus the three revolutions, ideological, technical and cultural, is immediately communism, to the question of firmly building up the driving force of the revolution, abiding by the revolutionary principles and strengthening the international

solidarity on the basis of independence. Hence, the people in our era have come to possess a powerful theoretical and practical weapon for dynamically advancing the cause of socialism along a correctest path, freed from dogmatic understanding of the preceding theories.

By setting forth the *chuche*-based theories of the building of a revolutionary party and the people's power and successfully applying them, the great leader strengthened and developed the Worker's Party of Korea into a revolutionary party with tested leadership and militancy and into a powerful party which has a vast future and is deeply rooted among the masses and converted our people's power into the most viable and solid independent socialist power.

The immortal feats performed by the great leader in the course of the protracted revolutionary struggle are, next, that he laid a solid foundation for the accomplishment of the cause of socialism.

He successfully solved all the problems arising in achieving unity, regarding it as the key point for the victory of the revolution and the first and foremost task of the revolution after he embarked upon the road of the revolution in his early years, with the result that he provided the greatest typical model of unity in the history of the communist movement.

The unity and cohesion achieved by him in the period of the anti-Japanese revolutionary struggle was a noble model of singlehearted unity based on one idea and one centre, revolutionary obligation and comradeship.

Our revolutionary ranks are firmly built up with the ardent revolutionaries of *chuche* type who have made loyalty to the dear leader Comrade Kim Chong-il their faith, conscience, morality and an inseparable part of life, determined to share the destiny with him to the end. They are veteran revolutionaries who had defended the headquarters of the revolution with their lives during the anti-Japanese war and the new generations who received *chuche*-based education.

Even under difficult conditions beyond description when our country, once a backward colonial and semi-feudal state, was divided by the U.S. imperialists after it was liberated and severely destroyed in the war, the great leader set forth a unique and scientific line of economic construction, firmly believing in the strength of the people all the time, and successfully fulfilled the historical task of industrialization in a short period by skillfully organizing and leading the entire people and built a powerful and prosperous socialist country on this land by building an independent national economy.

The might of the independent national economy is clearly proved by the fact that a great many monuments of the era of the Workers' Party have made their appearance in the whole country and *chuche*-orientation,

modernisation and scientification of the national economy are progressing successfully.

The great leader intensified the party's work of political and ideological education within the People's Army, established a *chuche*-based command system whereby the whole army moves as one under the leadership of the party and steadily improved and strengthened the combat capabilities and arms equipment of the People's Army.

It is a priceless wealth of our revolution that the great leader has built a-match-for-a-hundred army, invincible revolutionary armed forces which defend the party and the revolution as firmly as a rock and converted the whole country into an impregnable fortress.

The undying revolutionary feats performed by the great leader through a thorny path of the revolution are defended and glorified under the wise guidance of the dear leader. His tested guidance is a basic guarantee for successfully carrying forward and accomplishing the revolutionary cause of *chuche* started and led by the great leader.

Struggle for Solution of Rural Problem Urged

SK2508074194 *Pyongyang Korean Central Broadcasting Network in Korean 0900 GMT 23 Aug 94*

["Dialogue" between station reporters Cho Hyon-su and Song In-ok: "Victoriously Solving the Rural Problem Is Our Sacred Mission for the Present Time and History"]

[Text] [Cho Hyon-su] All the people, including our agricultural working people, are waging a vigorous struggle to victoriously solve the rural problem upholding the teaching of the great leader that he left for us in his lifetime. In this program today we will discuss under the subject "Victoriously Solving the Rural Problem Is Our Sacred Mission for the Present Time and History."

[Song In-ok] As you know, because our party and the people made a vigorous advance following the road directed by the Great Theses on the Socialist Rural Problem, we have already solved the basic problem in the construction of the socialist rural area, rising onto the high plane foreseeing the ultimate solution of the rural area.

Therefore, today when the socialist rural theses have turned into a resplendent reality, it is more important than ever to wage a vigorous struggle to bring an ultimate solution to the rural problem, while solidifying and developing the success we have made.

The great leader Comrade Kim Il-song has taught: In our country where we are defending, adhering to, and adding luster to our-style socialism under the *chuche* socialist banner, victoriously solving the rural problem is our sacred mission for the present time and history.

Victoriously solving the rural problem is the struggle to liquidate the straggling of the rural area inherited from the exploiting society and to eliminate the gap between the urban and rural areas and the class gap between the working class and the peasants. How we solve this problem determines the future of socialism.

[Cho] The ultimate solution to the rural problem is a sacred mission for the present and history, because our people must accelerate their rural construction, taking the lead in building socialism under the revolutionary banner of the *chuche* idea, and set an example in achieving the complete victory of socialism.

Under the wise leadership of the party and the leader, our people have accelerated socialist construction, overcoming all difficulties they encountered on the way of their advance, and approached the turning point for the complete victory of socialism. Therefore, today, when socialist construction is pushed ahead on a new higher plane, attaining the complete victory of socialism is an essential task we have at present to accelerate the historical forward movement of the popular masses for socialism and communism. The key to realizing the task is the ultimate solution of the rural problem.

[Song] At the same time, the ultimate solution of the rural problem is the fundamental method to eliminate the class gap between the working class and the peasants by converting cooperative ownership into all-people ownership.

The struggle to bring an ultimate solution to the rural problem puts forth as its main task the elimination of the ideological, technological, and cultural straggling of the rural area under the banner of the rural theses. In other words, we must solve the rural problem ultimately by thoroughly implementing the three revolutions—ideological, technological, and cultural—in the rural area, as set forth by the rural theses, so that we can working-classize the peasants and realize the industrialization and modernization of agriculture on a high plane. At the same time, we can improve the standard of management and operation of the rural economy into the advanced standard of industry based on the three revolutions of the rural area, and by closely combining the cooperative ownership with the all-people ownership and enhancing the guiding role of the all-people ownership, we can convert the cooperative ownership gradually into all-people ownership.

Therefore, when we ultimately solve the rural problem and realize the complete victory of socialism, we can brilliantly carry out the sacred mission entrusted by the present time and history.

[Cho] The ultimate solution to the rural problem is a sacred mission for the present time and history because our people, who are brilliantly realizing the socialist cause, must display the superiority and indestructibility of socialism and increase its attraction by accelerating socialist rural construction.

As you know, the superiority, indestructibility, and attraction of socialism can be fully displayed only when the popular masses are firmly armed with socialist idea; the country's economic might is strengthened by accelerating socialist economic construction in conformity with the socialist demands; and the bountiful and cultural life of the working popular masses, who are the masters of the state and society, is all the more guaranteed. What is important here is ultimately solving the rural problem. As the victory of revolution and construction depend on how the rural problem is solved at each stage of the development of the revolution, displaying the superiority and indestructibility of socialism and increasing its attraction are directly linked with how the rural problem is solved.

[Song] That is right. The ultimate solution to the rural problem is a sacred mission for the present time and history, also because today's situation in which unprecedented happenings are taking place internationally calls on our people to accelerate socialist rural construction to triumphantly build socialism and communism.

In the international arena these days, the tragic incident of the return of capitalism occurs in the countries where socialism was once built, does it not? The historic lesson of socialist construction clearly tells us that, even in rural areas, when socialism is adhered to, victory will be achieved, and when it is thrown away, only death will result.

Through their 30 years of struggle under the wise leadership of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il, who is also the great leader [yongdoja], our people have elucidated to the whole world that ultimately solving the rural problem is the most noble road to implementing the working popular masses' independent desire and demand.

[Cho] That is right. Under the uplifted revolutionary banner of the chuche idea, our people will engrave in their hearts the teaching of the great leader which he left for us in his lifetime and will follow the dear leader Comrade Kim Chong-il, who is also the great leader [yongdoja]. By so doing, we will perform our sacred mission for the present time and history by ultimately solving the rural problem under the uplifted banner of the socialist rural theses and by pioneering at the forefront the unprecedented road of socialism.

That will be all for today.

Hotel Construction in Hajin-Sonbong Accelerated

*SK2608020394 Pyongyang Korean Central
Broadcasting Network in Korean 1100 GMT 25 Aug 94*

[Text] The construction of a modern hotel in Najin-Sonbong is being expedited, according to the great leader's lifelong desire and the dear comrade leader's grand idea. In an interview with station reporter Choe Chang-ha, An Pung-chin, chief of the Najin city construction team, states:

[Begin An Pung-chin recording] Thanks to the vigorous laborious struggle of the working people who began construction of the Najin Hotel upholding the teaching given by the great leader on (26 July 1993), hotel construction is nearing its final stages [majimak kobie turosogo issumnida]. Under the Najin Municipal Party Committee's guidance, the workers have accelerated construction in a speed 1.5 times faster than scheduled, and actively carried out political work while giving priority to organization work to completely implement the teachings left by the great leader. The workers are bringing the construction to a close by vigorously building the entrance, the transformer room, and [word indistinct] of the hotel.

We, builders of the hotel, resolve firmly to all the more glorify the great leader's leadership achievements by brilliantly implementing the great leader's lifelong teachings under the dear comrade leader's wise leadership. [end recording]

Experiences in Former Socialist Country Noted

*SK2508120894 Pyongyang Korean Central
Broadcasting Network in Korean 0400 GMT 24 Aug 94*

[Kim Su-chol, member of the Hydrometeorological Bureau under the State Administration Council, relates personal experiences while visiting a "country where socialism collapsed": "Streets Rampant With Immoralities and Depravities"—first two paragraphs are announcer's introduction]

[Text] The dear leader Comrade Kim Chong-il has indicated that in the capitalist society today, the number of unemployed, bankruptcies, alcoholics, and drug addicts is increasing and such social evils as murder and robbery are expanding. As a result, people are being driven into uneasiness and despair with each passing day.

In this hour we will broadcast the personal experiences of Comrade Kim Su-chol of the Hydrometeorological Bureau.

[Begin Kim Su-chol recording] All of our people—who live, forming one large harmonious family while upholding the dear leader Comrade Kim Chong-il—are leading a happy life without worries in a stable social atmosphere. However, witnessing the reality of a country where socialism has collapsed and capitalism has reappeared, I came to feel with deeper emotion the happiness of our stable life.

Recently I made an official visit to a country where socialism has collapsed. When we arrived at the railway station of a city of that country, we left the station, which was crowded with people who used [words indistinct]. We were surprised to see the street in front of us. Without exception, [the windows of] the ground floors of all buildings were barricaded with iron bars.

Upon realizing how we felt, the guide said with a bitter grin: Without such iron bars, no one can deter assaults from burglars and robbers.

He then advised: If it is known that you carry money, it will not be good, so keep the money hidden and avoid taking taxis.

Though it was a kind piece of advice, we felt somewhat uneasy to hear it. Since we were uneasy, we could not sleep well from the first day. The only news we heard was about the heinous, evil conduct of criminals. The news was as follows: A (?banker) was stabbed to death or the corpse of a girl whose limbs were cut off has been found. Almost every day, newspapers and publications carried news about such heinous murders and robberies.

While traveling to a city by train, three young men suddenly entered our compartment. They abruptly pointed a dagger at our throats and demanded that we give them our money. After this experience, we came to realize, with a greater sense of reality, the truth of what we had heard.

Out of official necessity, we had to visit various cities. Wherever we went, the situation was the same. We could see [the windows of] the ground floors of all buildings barricaded with iron bars.

We visited a home in which the old couple of the house had replaced a good looking new wooden door with a shabby-looking iron door. We asked why they had taken pains to replace a good wooden door with a shabby-looking iron door. With a smile, the old woman of the house answered by saying: We have sold everything except a few things. We have had no choice but to install an iron door to prevent a robbery. It is now a trend to install iron doors. This too is a gift from capitalism. We miss the days when we could sleep without any worry. When we heard this, we understood why the streets appeared to be surrounded by iron bars.

After we witnessed a robbery, we felt like a destitute man without anything who has been stricken by a thunderbolt.

We entered a restaurant and saw two young men, who had driven a luxurious car, sit at table. They picked a fight with other customers over nothing, which resulted in a scuffle, and the restaurant was in chaos. The police arrived and after hearing about the situation, they, far from cracking down on those young men, ordered that the victims make reparations for the damage. Even the police were not on the side of justice. As a result, people in this country lead painful days always in anxiety and fear.

This situation is quite different from that of our people who live with bright smiles, not knowing even the words anxiety and fear.

In our fatherland, a thing is returned to its owner, who does not even remember when and where it was lost; and

it is hard to find a robber. Every day, beautiful stories that impress people are heard everywhere.

In fact, it is not by chance that many foreigners visiting our country are readily surprised at, and do not spare their praise of, the good deeds of our people who find, and return to its owner, even a trifling thing—or even a bag containing a large sum of money in it—which the owner himself does not remember he has ever lost.

How should they, who know only of the reality of the capitalist society in which people do not hesitate to kill rich people for nothing, not be surprised to see our fatherland where lost money is returned to the owner? Therefore, they do not spare any praise, while saying: Though we have visited various places in the world, we find that everything in Korea is surprising and new. Is there such an episode of love for people elsewhere?

Indeed, all of this would not be possible without the wise leadership and warm love for man on the part of the dear comrade leader, who has raised all of our people as genuine men equipped with noble and beautiful moralities.

While witnessing the reality of that country, I even thought: No matter how iron-clad the whole country is—surrounded by iron bars—no one can block the evil conduct of robbers, social disorder and chaos, and various kinds of crimes.

I missed all the more the bosom of the dear comrade leader, and made a firm determination to defend his benevolent virtue by dedicating my life.

Today, when the whole country has risen, like a mountain peak, after turning the big heart-rending sorrow of parting forever from the fatherly leader into hundreds, even thousands times as much strength and courage, I will devote everything of mine to accomplishing the revolutionary cause of *chuche* and advancing the fatherland's reunification, better holding in esteem the dear comrade leader and following his leadership, in accordance with the great leader's lifetime wishes. [end recording]

Unattributed Talk Details Chuche Idea Theories

*SK2508080594 Pyongyang Korean Central
Broadcasting Network in Korean 0200 GMT 23 Aug 94*

[Unattributed talk: "The Chuche Idea Is the Guiding Principle for the Socialist Cause of Our Times"]

[Text] Today, socialism of our own style centered on the popular masses is advancing forward victoriously, taking the great *chuche* idea as a guiding principle. The socialist cause is a very difficult and complicated cause in liquidating the filth of history accumulated for several thousand years and making the popular masses the genuine masters of nature, society, and themselves. It is also a historic cause that is consummated generation after generation, fighting its way over a long, rough road.

Therefore, to pioneer, develop, and consummate the socialist cause, the cause should be led by a correctly guiding ideology that has embodied the aspirations and demands of the advancing times and the popular masses.

The *chuche* idea is a man-centered view of the world initiated, reflecting the popular masses' aspirations and demands of the era of independence. It is also a revolutionary doctrine to realize the independence of the working masses.

The great leader Comrade Kim Il-song has taught: The *chuche* idea is a man-centered view of the world—in which everything is thought of, placing men at the center, and in which everything serves men—and a revolutionary doctrine to realize the independence of the working masses.

Today is a new era in which the popular masses have appeared as the masters of history and are working out their destiny independently and creatively. The ideological and theoretical principle that makes it possible to consummate the socialist cause in conformity with the popular masses' aspirations and demands in the era of independence has been brilliantly solved with the initiation of the great *chuche* idea.

The *chuche* idea has scientifically clarified the correct idea of the socialist cause and the revolutionary theories, strategies, tactics, and leadership methods to realize the cause on the basis of the man-centered philosophical principle and the sociohistorical principle that have elucidated the road of pioneering the popular masses' destiny of the era of independence in which the popular masses have appeared as the masters of history and their destiny. As a result of this, the *chuche* idea has become the only correct guiding principle of our times for the socialist cause.

The *chuche* idea elucidates most correctly the socialist, communist ideology based, above all things, on the man-centered revolutionary view of the world. To successfully build socialism and to brilliantly realize their independence, the popular masses should have a correct ideology on socialism, communism.

The socialist, communist ideology has been most correctly elucidated by the *chuche* idea, which the great leader created, embodying the aspirations and demands of the times and the popular masses.

The socialist, communist ideology that the *chuche* idea has elucidated is, in a nutshell, to lead the popular masses not only to be free from all sorts of constraint and enslavement of nature and society, but also to firmly unite as comrades and as the masters of state and society and, thus, to enjoy an independent and creative life to their hearts' content with an eternal social and political life.

Because of his inherent character of a social life, man not only wants to live and develop independently and creatively as the master of the world and his destiny, but

also wants to live and develop socially and collectively, maintaining the relations of unity and cooperation with members of society.

The socialist, communist ideology that the *chuche* idea has elucidated is a most correct ideology that has extensively embodied such an inherent demand of man.

As the socialist, communist ideology has been most correctly elucidated by the *chuche* idea it has been possible to lead the popular masses to think socialism, communism in relation to their destiny and to accept socialism, communism as their vital demands. It has also been possible not only to lead socialism, communism to take roots deep in the minds of the popular masses, but also to lead it to become their firm faith.

The *chuche* idea also elucidates the socialist, communist revolutionary theory that has been established based on a popular masses-centered revolutionary view of the world. For the revolutionary ideology to become a guiding principle to completely realize the popular masses' independence, it is imperative to elucidate completed revolutionary theory, strategy, and tactic along with the socialist, communist ideology.

The *chuche* idea has completely elucidated for the first time in history the revolutionary theories, strategies, and tactics—which have synthesized the basic direction, inevitability, basic strategic goal, and basic method of socialist, communist construction, placing the working masses at the center—in conformity with the aspirations of the times and the working masses.

Correctly elucidating the basic direction and inevitability of socialist, communist construction is the important demand of the working class' party and the working masses to realize the socialist cause without any particular leanings. The *chuche* idea elucidates that reforming all fields of society in conformity with the popular masses' independent demands based on the man-centered philosophical principle and sociohistorical principle is the basic direction of socialist, communist construction.

The *chuche* idea also elucidates that it is the inevitability of socialist, communist construction that the popular masses' consciousness of independence and their creative ability are enhanced, that the material and technological foundation of socialist, communist construction is strengthened as a result of the acceleration of nature remaking work and social reform work, and that all social relationship is reasonably improved in conformity with the aspirations and demands of the popular masses. The *chuche* idea also clarifies that the course of socialist, communist construction is the course of continuing the revolution to overcome the transitional character of the socialist society and to strengthen the communist character.

As the basic direction of socialist, communist construction and its inevitable course have been clearly elucidated by the *chuche* idea, the insufficient aspect in the

previous theory, which elucidates the inevitability of socialist, communist construction in terms of material, economic relationship, has been rectified and, at the same time, a guiding principle which makes it possible to direct the entire course of socialist, communist construction toward a course of reforming society in conformity with the popular masses' independent demands and to realize the socialist cause without the slightest inclination by enhancing their position and role has been provided.

To successfully build socialism, communism, it is imperative to clearly elucidate not only the inevitability of its consummation, but also the basic strategic goal and line of socialist, communist construction.

The chuche idea has most elucidated the basic strategic goal and line of socialist, communist construction based on its analysis of socialism, centering on the working masses.

The basic strategic goal of socialist, communist construction the chuche idea has elucidated is to occupy the ideological fortress which makes all members of society genuine revolutionaries by making them revolutionary and assimilating them into the working class and the material fortress which provides the material and technological foundation of communism by developing production capability.

The chuche idea has not only clearly elucidated the basic strategic goal of socialist, communist construction, but has also correctly expounded the strategic line for its realization. The strategic line of socialist, communist construction elucidated by the chuche idea is to strengthen the people's government, to enhance its function and role, and, at the same time, to thoroughly carry out the three revolutions—ideological, technological, and cultural.

When we strengthen the people's government, enhance its function and role, and simultaneously carry out the three revolutions—ideological, technological, and cultural—vigorously, we can build the main force of socialist, communist construction, eliminate all discrepancies left in the socialist society by enhancing the role of the main force, and, thus, establish communist social relationships. Thus, we can provide the material and cultural conditions under which the popular masses can lead an independent and creative life.

As the basic strategic goal and line of socialist, communist construction have been elucidated by the chuche idea, it has been possible for the working people to vigorously advance the socialist cause with a clear milestone and a correct method.

The chuche idea also clearly elucidates the basic principle and leadership method that should be adhered to in socialist construction based on a man-centered revolutionary view on the world. In order for the working class'

revolutionary ideology to become a correct guiding principle in socialist, communist construction, even the basic principle and leadership method that should be adhered to in the revolution and construction should be elucidated clearly.

The chuche idea has clearly elucidated for the first time in history the basic principle and method that the popular masses should firmly grasp in socialist, communist construction.

The basic principle of socialist, communist construction elucidated by the chuche idea is to thoroughly safeguard and embody the popular masses' independent demands and interests.

Thoroughly embodying the popular masses' independent demands and interests is not only the inherent nature of socialist society, but also the demands of socialist, communist construction itself. Apart from the popular masses' independent demands and interests, socialist, communist construction cannot exist, and we cannot think of its realization.

Therefore, the realization of the popular masses' independent demands and interests is the basic principle of socialist, communist construction to which we can make no concession.

To consolidate and develop socialism in conformity with the popular masses' independent demands and interests, it is imperative to strengthen the party, to enhance its leadership role, to strengthen the people's government's function and role, to defend and develop socialist ownership, and to resolutely struggle against imperialism. This is a consistent principle that should be firmly grasped to thoroughly embody the basic principle of socialist construction in all fields—political, economic, cultural, and military.

The chuche idea elucidates that to thoroughly embody the basic principle of socialism in socialist construction it is imperative to firmly adhere to an independent and creative stance. The chuche idea clearly expounds the basic principle and leadership method that should be adhered to in socialist construction.

The socialist, communist cause is a very complicated cause to realize the popular masses' independence and an awesome struggle in which the broad masses participate. Therefore, the socialist, communist cause can be victorious only when a correct leadership method is guaranteed. However, the leadership method issue has not been systematized so far as an independent component part [kusong pubun] of the working class' revolutionary ideology.

The chuche idea has systematized anew the issue of leadership method as an independent component of the revolutionary ideology and extensively elucidated it. The leadership method of socialist, communist construction elucidated by the chuche idea extensively synthesizes all problems arising in making the popular masses the main

force of the revolution, as well as in realizing the socialist, communist cause by enhancing the role of the main force, such as the essence and principle of leadership, leadership system, and leadership art.

Indeed, the *chuche* idea is the guiding principle for the socialist cause of our times, which has embodied the man-centered philosophical principle and sociohistorical principle and which has clearly expounded the ideology on socialism and communism; the revolutionary theories, strategies, and tactics for its realization; and the basic principle and leadership method that should be adhered to in socialist construction.

The great *chuche* idea has been embodied in the practice of the socialist cause in our country under the wise leadership of the party and the leader [*suryong*]. As a result, the *chuche* idea has unfolded a proud reality in our country.

That our people have been victoriously advancing the arduous and complicated Korean revolution without the slightest inclination is because they have the [word indistinct] *chuche* idea.

We should safeguard and defend socialism of our own style and further add luster to it by vigorously fighting, holding higher the revolutionary banner of the *chuche* idea, which is the only correct guiding principle of the socialist cause.

South Korea

North, U.S. Hold Contact To Prepare for Meeting

SK2508235094 Seoul KBS-1 Radio Network in Korean 2200 GMT 25 Aug 94

[Text] The United States and North Korea today held a working-level contact in New York and discussed in detail the timetable for the expert meeting slated to be held in early September for resolving the North Korean nuclear issue.

In an unofficial working-level contact held at the UN Headquarters, it was learned that officials of the U.S. State Department presented the North Korean Mission with the U.S. plans for a date, place, and method of forming a delegation for the expert meeting, on the premise that the expert meeting should be held at an early date to discuss assistance for the light water-moderated reactors to North Korea, the supply of substitute energy, the safe storage and processing of nuclear fuel rods, and the establishment of mutual liaison offices.

In particular, the U.S. side was also learned to have proposed that the expert meeting be held alternately in Pyongyang and Washington from next month and that in accordance with the agenda, have three expert teams as delegates to the meeting.

It was learned that the North Korean side will soon express its stance toward U.S. proposals after going through consultations with its home government. In this regard, there is rising public interest in the North side's reaction should the meeting take place in Pyongyang, considering the recent rumors on the instability of the Kim Chong-il system.

North Indicates 'Near Agreement'

SK2608002994 Seoul YONHAP in English 0020 GMT 26 Aug 94

[Text] Washington, Aug. 25 (YONHAP)—The United States and North Korea held a working-level contact in New York Thursday [25 August] to discuss experts' meetings on Pyongyang's nuclear program but did not have any dates and places to announce yet.

While the U.S. State Department only confirmed that a contact had taken place, North Korean officials indicated near agreement was reached, saying the two sides need not meet again in person but would be able to wrap up the details over the phone or through fax messages.

The officials said four separate teams of experts are expected to meet early next month, either in Pyongyang, Washington or at a third site agreed by the two sides.

The teams will not be meeting in one place but separately at different locations, they said.

The four teams will deal with technology support for light-water reactors, an exchange of liaison offices between Pyongyang and Washington, treatment of North Korea's spent fuel rods, and the provision of alternative energy during the reactor replacement period.

The United States and North Korea agreed earlier this month that in exchange for light-water reactors and improved diplomatic relations, Pyongyang would freeze its nuclear activities and comply with nuclear safeguards.

"There were some differences in the schedule and sites of the experts' meetings in the proposals made by the two sides," said a North Korean official at the UN Mission. "The two sides will make a decision upon final approval from their governments."

Minister Discusses North-South 'Power Imbalance'

SK2608103194 Seoul YONHAP in English 1021 GMT 26 Aug 94

[Text] Seoul, Aug. 26 (YONHAP)—Unification Minister Yi Hong-ku said Friday that North Korea should understand this "is the most appropriate time to work for compromise and peace."

Speaking at a dinner meeting of the Kwanhun Club, a fraternity of senior journalists, the chief unification policymaker said the development imbalance between

South and North Korea is making "us bear a considerable portion of the management responsibility for the unification process. We are entering a phase where we have to share the difficulties facing the North Korean people."

"Neither the international community, nor the United States, nor we can make all principles an object of compromise to maintain peace," he stressed, indicating that securing Pyongyang's nuclear transparency is a principle which cannot be compromised.

North Korea should first alter its position on the nuclear issue to guarantee the transparency of its nuclear development program, he added.

Seoul has always kept open the door for inter-Korean dialogue to seek lasting peace on the Korean peninsula and South-North co-existence and co-prosperity, he said.

He noted that the inter-Korean ideological competition has left North Korea on the wane, resulting in a South-North power imbalance and political unrest in North Korea.

Pyongyang should discard the view that it can overcome these disadvantages with its nuclear program and instead follow a path leading to co-prosperity, he stressed.

"The reasonable option left to North Korea now is to admit the reality of its disadvantages in inter-Korean relations and try to reform to adapt to the new international situation," he remarked.

For a complete settlement of the North Korean nuclear issue, the transparency of its past, present and future nuclear activities must be secured: It is the government's unswerving position that special international inspections of North Korea's undeclared nuclear sites are a must to achieve this end, he stressed.

NSP Predicts Kim Chong-il To Succeed to Power

SK2608083994 Seoul YONHAP in English 0826 GMT 26 Aug 94

[Text] Seoul, Aug. 26 (YONHAP)—The Agency for National Security Planning (NSP) predicted Friday that North Korea's heir-apparent Kim Chong-il will succeed to power as expected despite signs of shakiness.

The agency, however, was unsure about the political future of the new leader, who begins his regime after an unusually long pause in the power transition process, citing difficulties at home and his personal health problems.

Rep. Sin Sang-u, chairman of the National Assembly Intelligence Committee, emerged from a highly secretive closed-door session with NSP Director Kim Tok and said it had been agreed that these points could be announced to the public.

"There is no need to overinterpret that Kim Chong-il's regime will crumble based on events such as anti-Kim leaflets being scattered in the diplomatic quarter of Pyongyang," Shin said.

There are abundant signs that North Korea is trying to return to the state it was in before President Kim Il-song's death to overcome the shock, said Shin.

This is why his son and chosen heir Kim Chong-il ordered a 100-day mourning period: Since Nodong [Worker's] Party officials say this is the reason why the junior Kim has not yet ascended to power, there is no reason to feel that something is amiss in the transition of power, he said.

The committee chairman called Kim Chong-il's new regime even more closed and suppressive than his father's, contrary to initial expectations that he would be more open.

"This is probably intended to uproot unrest and opposition," he said.

Shin said he was told at the session that controlled areas in North Korea constitute about 45 percent of the entire country. "North Korea is even hiding Kim Il-song's death from political prisoners for fear of them rising up," he said.

The chairman claimed North Korea conducts public execution, such as one case which was included in an Amnesty International report about an unidentified man who was maltreated in November 1992.

North Korean ambassador to Switzerland Yi Chol later claimed that the persecution was held publicly at the people's request, the lawmaker said.

North Korean authorities keep separate detention camps for midgets, hunchbacks and handicapped people and coerce them to practice birth control to wipe out their genes, he said.

PRC Official Views Kim Chong-il's Power Base

SK2608024294 Seoul TONG-A ILBO in Korean 26 Aug 94 p 1

[Beijing-based correspondent Kim Chung-kun]

[Text] North Korea is delaying the announcement of Kim Chong-il's power succession to the positions of party general secretary and state president because a 100-day mourning period has been set aside for Kim Il-song. However, even if Kim Chong-il succeeds to power, his power base is so fragile that North Korea may well be ruled by the collective leadership of the Political Bureau of the North Korean Workers Party [WPK], said a senior Chinese government official well informed of North Korean affairs on 25 August.

The official, demanding anonymity, commented on the issue of North Korea's power succession by saying: At present, North Korea has no definitive alternative to

Kim Chong-il, so he will succeed to the positions of the party general secretary and the state president. However, because Kim Chong-il's power base is more fragile than many will assume, the real exercise of power will be done through collective leadership by the WPK Political Bureau.

The official went on to say, "Many are focusing on Kim Chong-il's power succession to the party general secretary and the state president, but the real key position is the chairman of the party Central Military Commission." He added, "Who will be given this post will give us a clue to the real situation regarding power changes in North Korea." As to the delay in the announcement of the power succession, he said, "North Korea held a party Political Bureau meeting on 20 July and set aside 100 days for the mourning period for Kim Il-song and informed the cadres of various levels of it through an internal official bulletin." The official said that this decision was against the wishes of Kim Chong-il. The official then added, "Therefore, the official announcement of Kim Chong-il's power succession will not be made before 16 October when the 100-day mourning period ends.

'Concrete Preparations for Reunification' Urged

SK2608035094 Seoul YONHAP in English 0259 GMT 26 Aug 94

[Text] Seoul, Aug. 26 (YONHAP)—President Kim Yong-sam is reportedly pondering the necessary preparations for "sudden national unification."

In the early stages of his presidency last year, Kim reportedly drew up an overall outline for unification based on his prediction that a key turning point in South-North relations might come late this year or in early 1995.

His previous concept, however, seems to have become outmoded with the emergence of a completely new situation—the sudden death of former North Korean President Kim Il-song and the subsequent issue of the North's power succession.

Given the new developments within the North Korean leadership, President Kim is reportedly mapping out long- and short-term programs in preparation for national unification that are more concrete and comprehensive than those devised before.

In a meeting Thursday, Kim called for concrete preparations for reunification as "the current situation does not permit anyone to predict precisely when and in what form unification will come." Speaking at the general evaluation meeting of the Ulchi Focus Lens exercise for this year, he stressed the importance of having a conviction that victory will be attained and of consolidating the friendly relations between South Korea and the United States.

Political and economic stability at home is essential to any preparations for sudden reunification, he asserted, appealing to both the ruling and opposition parties to deal with the issue of national security and unification on a suprapartisan level.

Furthermore, the president called on ruling party postholders to see to it that the forthcoming regular session of the National Assembly is productive and conducive to securing the people's welfare and interests—thus firming up the basis for unification.

Officials of the ruling Democratic Liberal Party (DLP) revealed that the president is likely to discuss the political atmosphere for national reunification when he meets on Saturday with key DLP postholders, including chairman Kim Chong-pil, at Chongwadae. Kim Yong-sam, who is also DLP president, receives reports on party affairs from the chairman and three key members—the secretary-general, the floor leader and the chief policymaker.

A Chongwadae [presidential offices] official explained that Kim's repeated emphasis on preparing for reunification stems from his analysis of the overall situation and all available information.

Other government officials said the president has been collecting the opinions of various ministries and experts on national unification while making preparations for the worst- to the best- case scenarios.

Defectors Attest to North's 'Open Executions'

SK2608035394 Seoul THE KOREA TIMES in English 26 Aug 94 p 2

[Text] Two North Korean defectors told a ruling party forum Wednesday that open executions are rampant in the North and that the people's human rights have been trampled on by the Kim Il-song family.

In a forum organized by the ruling Democratic Liberal Party's Central Standing Committee at the party's Yoido headquarters Wednesday morning, Kim Yong-song and An Hyok, who defected from North Korea in 1992, said that the reign of terror is the only means of buttressing the totalitarian regime in the North.

Kim said, "If not for the nuclear card which has been so effectively used by the Kim Il-song family, North Korea could hardly survive. Its system is even more feeble than that of Albania."

He predicted that North Korea will collapse overnight should it try to reform and open its society.

Kim, 60, said that during his four decades of life in North, he never saw a court trial. "Everything, including prison sentences and other penalties, is handed down by the Workers (communist) Party," said Kim, former engineer of the North Korean state construction committee and graduate of Prague University. He was a classmate of former North Korean Prime Minister Yon Hyong-muk.

He said that he had heard of and witnessed himself numerous cases of open executions conducted by police and security forces, including the executions of four railway workers involved in a riot and several bicycle thieves in 1980 when he lived in Chongjin.

An, 26, a former inmate of a gulagstyle concentration camp in Yodok, South Hamgyong Province, testified that he saw many open executions in the camp. Most of those executed were caught trying to escape or accused of disobeying prison guards' orders.

"The executions are conducted on a riverside within the camp and all of the camp inmates are forced to witness them. On the orders of guards, we were forced to throw stones at the hanging bodies," said An, recalling the chilling moments. An defected to the South after escaping to China along with his fellow inmate Kang Chol-hwan in August 1992.

"The camp life was so miserable. I was given only 29 ears [as published] of corn a day and a bowl of salty soup with dried vegetables. We got up at 5 a.m. and worked till 8 p.m. After the work, we had to undergo reeducation sessions till 11 p.m.," said An who was imprisoned at 18 for an unauthorized tour to Mt. Paektu during which he got acquainted with several Chinese teenagers.

"If someone slumbers during the session eulogizing Kim Il-song and his son Chong-il, he or she is sent to the closed concentration camp within the Yodok prison which is nearly the size of a county," An said.

An said that the family of Kim Hyon-hui, the former North Korean saboteur of a KAL airliner in 1987 and now living in the South, is housed in the tightly guarded prison camp.

An, now a sophomore of Hanyang University, said that he saw the family of Prof. O Kil-nam, of Kim Pyong-hak, a former North Korean vice president, and of other senior party officials, as well as many religious believers. "I even saw a son of North Korean Vice President Yi Chong-ok at the camp. He was incarcerated at the request of his father for praising Mikhail Gorbachev during his tour to Moscow," he said.

An said that the alleged religious believers showing up at Changchung Cathedral, Mt. Myohyang Buddhist Temple and other religious facilities in North Korea are "quack" believers whose real mission is to convince foreign visitors that there is religious freedom in the North. "Real believers are all housed in remote concentration camps," An said.

The two defectors deplored the opposition party's and dissidents' incessant demands that the National Security Law be abolished. "They are naive and apparently have illusions about the North, which is a gigantic concentration camp," Kim said.

PRC: North To 'Fence Off' Najin-Sonbong Area

SK2608003194 Seoul YONHAP in English 0014 GMT
26 Aug 94

[Text] Hunchun, China, Aug. 25 (YONHAP)—North Korea plans to fence off the projected Najin-Sonbong free trade zone in an effort to segregate it from adjacent areas, it was revealed here.

Hunchun Vice Mayor Hu Xuan disclosed Wednesday that North Korea "has decided to build fences along the Najin-Sonbong free trade zone's 80-kilometer-long border with the non-free trade zone, prior to opening the free trade zone... China has been asked to invest in the fence construction project."

Hu made the remarks to Han Sin-hyok, president of South Korea's Dongbu Industrial Co., while explaining progress in China's transportation network development project along the east coast, according to Han.

In return for Chinese investment in the fence project, estimated at about 3 million U.S. dollars, Hu was quoted as saying that China sent a formal request to North Korea in June asking that Pyongyang issue a written permit for free freight access to the Najin-Sonbong free trade zone.

Hu reportedly added that Hunchun city solicited South Korean businesses' participation in the fence project, indicating that China may procure from South Korea raw materials for the fence project.

Hu declined to confirm rumors that North Korea has been sending people faithful to the Workers' Party to the Najin-Sonbong area. "But I understand that North Korea intends to dispatch to that area over 6,000 construction workers next year," he was quoted as having said.

Japanese Ex-Minister To Pay Homage to Patriots

SK2608083094 Seoul YONHAP in English 0718 GMT
26 Aug 94

[Text] Seoul, Aug. 26 (YONHAP)—One of Japan's political heavyweights, former Justice Minister Akira Hatano, will visit South Korea in early September to pay homage to late independence fighter An Chung-kun and other deceased Korean patriots.

The office of Patriots and Veterans Affairs said Friday [26 August] that Hatano, 83, will attend a memorial service for An on Sept. 2 marking the 150th anniversary of his birth at the An Chung-kun Memorial Hall on top of Mt. Nam. Hatano is scheduled to deliver a lecture entitled "Japanese and An Chung-kun."

An assassinated then-Japanese Prime Minister Hirobumi Ito at the Harbin railroad station in China in 1909.

Upon arriving in Seoul on Sept. 1, Hatano will lay wreaths before the tombs of patriots at the National Cemetery. On Sept. 3, he is scheduled to call on Patriots

and Veterans Affairs Minister Yi Chung-kil to apologize for atrocities committed by the Japanese during their colonial rule of Korea.

Hatano previously served as chairman of the upper house Foreign Affairs Committee and as justice minister and currently works as a political commentator.

Seoul Position on Fishing Zones Issue Viewed

*SK2608040894 Seoul YONHAP in English 0205 GMT
26 Aug 94*

[Text] United Nations, Aug. 25 (YONHAP)—Over 100 nations and international organizations are in near agreement that fishing within the 200-nautical-mile economic zones should be controlled to preserve depleted fish stocks, South Korean officials at the UN Mission said Thursday.

But differences still exist over how far punishment should go for vessels that violate the rules, with some insisting on allowing seizure and detention, they said.

Some 90 countries and 30 organizations are attending the third UN conference on overlapping and highly migratory fish stocks, with coastal and deep-sea fishing nations in dispute over imposing regulations on marine life preservation.

Because some of the stocks move across the boundaries dividing the open seas from economic zones, the scope of fishing limits in these two different zones emerged as the key question.

South Korea, a deep-sea fishing country, advocates controlled fishing not only in international waters but in economic zones where over 90 percent of the world's catch is taken, the officials said.

But the participating countries were still split over whether to allow coastal nations to capture and detain illegal vessels, they said.

"Our government's position is that on-board inspection of fishing boats is acceptable, but seizure and detention are not," said one South Korean official. "The tendency, however, is to allow capture and detention within the zones."

The United Nations will hold two more conferences next year to settle points of conflict, but the officials said the differences are not prone to easy solution.

'Unqualified' Foreigners Arrested for Teaching

*SK2608051394 Seoul YONHAP in English 0503 GMT
26 Aug 94*

[Text] Seoul, Aug. 26 (YONHAP)—Nineteen foreigners who have been teaching foreign languages without the proper qualifications were arrested Thursday by the Seoul police.

The National Police Agency (NPA) arrested 19 foreign language lecturers lacking the needed qualifications, including Australian Ivan Dolling, and turned them over to the Justice Ministry.

The agency brought charges against the heads of 10 private foreign language schools, including Kim Yong-gol of the Seoul stage language school, who employed unqualified foreign lecturers to the Kimpo Immigration Office for violating the immigration law.

Police said that Dolling, who is considered unqualified, entered the country under a tourist visa in June and has made 500,000 won (about 623.44 U.S. dollars) per month teaching English at the ELS foreign language school in southern Seoul.

Four family members of U.S. Army employees based here, including seamstress Kathy An, entered Seoul with A-3 visas for the kin of U.S. Army employees and have been paid 12,000 won (about 14.96 dollars) per hour for teaching English at the Hansol Foreign Language School.

Meanwhile, a Korean resident of China, Um Mi-ok, staying illegally here after entering the nation to visit relatives in February last year, gave Chinese lectures at a foreign language school in southern Seoul for 10,000 won (about 12.47 dollars) per hour. She taught Chinese in China.

Amid the rising demand for English and Chinese lecturers due to the foreign language study boom and expansion of trade with China, foreign language schools are employing unqualified teachers to cut expenses as a qualified English teacher costs them more than 3 million won (about 3,740.65 dollars) per month, police explained.

The arrested foreign lecturers comprise seven Americans, six Chinese, three Australians, two Canadians and an Englishman, according to police.

NSP Arrests Nine 'Leading Officials' of SDYL

*SK2608103894 Seoul YONHAP in English 1029 GMT
26 Aug 94*

[Text] Seoul, Aug. 26 (YONHAP)—A full-fledged investigation has been launched of the Socialist Democratic Youth League (SDYL), a spontaneous socialist organization, on suspicion of having trained students in socialism and engaged in "enemy-benefiting" activities, the Agency for National Security Planning (NSP) reported Friday.

In an initial step toward the probe, the agency arrested nine leading officials of the league for violating the National Security Law and placed four non-league persons on a wanted list for their collaboration with the league, the NSP said.

Among the nine arrested were Hong Sung-mun, league chairman, and Kim Yong-ho, chairman of the league's Labor Committee.

The NSP said that the league was initially an outer body of the Social Democratic Party, a progressive party founded by the late Kim Chol in 1986.

Upon joining of the league by Choe Chang-u now under arrest, however, the league bolted from the Social Democratic Party to pursue its own subversive road, the NSP said.

The league, it said, had trained about 1,700 students and workers in socialist ideology on 25 separate occasions through last July and infiltrated them into various industrial scenes across the country.

The league was not pursuing the chusapa ideology but there is the strong possibility that it had been engineered by a background organization linked to North Korea, the NSP said.

Seoul Blamed for Amplifying Chusapa Statement

*SK2608112994 Seoul HANGYORE SINMUN in Korean
26 Aug 94 p 3*

[Editorial: "The Government Should Apologize, and President Pak Hong Should Resign"]

[Text] Even now when everything has been clarified, no person or organization intends to be held responsible for the swell caused by Sogang University President Pak Hong stating leftist students and figures are following North Korea's *chuche* idea. President Pak is ignoring demands for his renouncement, insisting it is not worth considering. No one in the government, the ruling party, the media, the prosecution, or academic circles—which have all supported or amplified his groundless statement—has yet apologized. Instead, the government has acclaimed President Pak's remarks as a "historic" statement, an instance of the evil-doer's audacity. Meanwhile, some media, which agitated the security-oriented atmosphere with President Pak's statement, have covertly turned tail since the prosecution concluded that Pak's statement is not particularly noteworthy.

President Pak's invariable attitude of not holding himself responsible for his remarks has caused confusion. However, he cannot get through this matter without taking responsibility unless he provides clear evidence to back his statement, which was worthless and irresponsible, and which harmed too many conscientious forces for him to evade responsibility. His church members have accused him of indirectly disclosing their confessions, and students are urging him to resign his presidential position. It has become difficult for him to fulfill his duties as a Catholic priest and university educator. Accordingly, he had better willingly leave his office and indulge in deep self-reflection and monasticism, and no longer display a clumsy attitude. He has recently and repeatedly changed his statement, but far from quelling public agitation, this has only increased it.

The government ought to reflect on itself and apologize in order to quell the swell caused by President Pak's

remarks. As has already been revealed, the government has actively assisted, supported, and amplified President Pak's statement in various ways. For example, the prosecution revealed old correspondence between the Korea Federation of University Student Councils [Hanchongnyon] and North Korea; the Ministry of Information distributed President Pak's thesis in large quantities to civil defense trainers and those engaged in public relations. This was certainly aimed at creating a security-oriented atmosphere; in such an atmosphere discussions, criticism, and rational thinking have disappeared. Amid rampant and extreme rightist comments, professors are forcibly taken into custody on charges of benefiting the enemy because of certain textbooks they use in class; students and dissidents are continuously arrested. This is neither a liberal democratic situation nor an atmosphere in which "civilian" worth is valued. The government is the ringleader which created this antidemocratic reality, and Pak Hong's statement serves as an important link. However, as a result of the prosecution's investigation, his statement has been revealed to be groundless. The government should now deeply reflect upon itself and beg pardon. Nevertheless, the information minister, a government spokesman, is insisting that Pak's statement is "historic." Is the government's attitude not a derision of and disgrace to history and a cheating of the people?

Labor Disputes' Costs in Setbacks Reported

*SK2608040694 Seoul YONHAP in English 0210 GMT
26 Aug 94*

[Text] Seoul, Aug. 26 (YONHAP)—Labor disputes had cost the South Korean economy 1,344 billion won (8.6 billion U.S. dollars) in production setbacks this year as of Wednesday, according to the trade, industry and energy ministry.

Of the 49 labor strikes that have flared up in the manufacturing sector so far this year, 39 have been settled while the remaining 10, including disputes at Hyundai Precision and Industry and Seshin Industries, are still under way, ministry officials said.

Production setbacks due to the 39 settled strikes totaled 1,344 billion won as of Aug. 24, down 32.8 percent from the 2,002 billion won recorded a year earlier.

The two-month-long strike at Hyundai Heavy Industries, which was just settled Thursday, set back production at the company and its contractors by 679.6 billion won, representing 50.5 percent of the country's total production losses.

Noteworthy is that export losses due to labor strikes so far this year amounted to 529.2 million U.S. dollars, down only 1.6 percent from last year's 538 million dollars against a decrease of 32.8 percent in overall production setbacks. This indicates that the strikes this year have chiefly hurt the nation's export front.

The ministry officials said labor disputes at large companies this year have turned the corner following settlement of the Hyundai Heavy Industries strike, though collective bargaining is under way at Hyundai Motor.

Hyundai Precision Strikes Over Compensation

*SK2608035794 Seoul YONHAP in English 0128 GMT
26 Aug 94*

[Text] Ulsan, South Kyongsang Province, Aug. 26 (YONHAP)—Unionists at Hyundai Precision and Industries Co. entered the second day of a full-fledged strike Friday, demanding compensation for wages lost during their 54-day-long dispute with the management.

The union members had staged a partial strike until Wednesday. They are demanding that over 800,000 won, the equivalent of about 1,000 U.S. dollars, be paid to each worker as compensation for lost wages.

Management, on the other hand, is adamant in adhering to the "no-work, no-pay" principle. Hence the labor dispute at company might drag on further.

In the meantime, the trade union at Korea Flange Co., another subsidiary of the Hyundai Group that is in the 38th day of a labor dispute, held another vote Friday morning on a compromise reached with management, which was previously voted down Wednesday.

UPU Congress on Draft of Seoul Postal Strategy

*SK2608100194 Seoul YONHAP in English 0756 GMT
26 Aug 94*

[Text] Seoul, Aug. 26 (YONHAP)—The 21st Congress of the Universal Postal Union (UPU) announced Thursday [25 August] its draft of a "Seoul Postal Strategy" calling on member nations to establish a commercial approach to cope with the changing postal environment.

The draft, released by Kwon Yong-su, chairman of the Seoul Congress and inspector-general of the Korean Communications Ministry, was the result of a two-day discussion on general policy beginning the previous day, with about 170 members addressing the subject of "The UPU Aimed at the Future: World Strategy Plan in Competitive Circumstances."

It advocated a commercial strategy to meet the diverse demands of customers, quality improvement in postal service through such new technology as the EDI (electronic data interchange) system and better management techniques.

The draft also urged that the independence of postal management be secured and that human resources be controlled effectively through training in new management methods.

The last session of the general meeting on Sept. 13 will adopt the strategy, after adding details, as a management guideline for UPU member countries over the next five years.

The congress opened on Aug. 22 with 1,600 people from 167 nations and 16 international organizations participating and will last until Sept. 14.

Meanwhile, the Philakorea 1994 World Stamp Exhibition finished the same day after attracting about 60,000 visitors during its 10-day run.

On display were 788 sets of stamps from 147 nations, with 170 kiosks set up by postal authorities from 154 countries and about 100 stamp dealers from 25 nations in attendance at the Korea Exhibition Center (KOEX) in Seoul.

The exhibition's popularity was attributed to the opportunities provided to collect foreign stamps and to the widespread interest in world-famous stamps. Among the displays were the world's first postage stamps issued in Britain in 1840, a Finnish stamp boasting the highest insurance value of 7,200 million won (almost 9 million U.S. dollars) and Korea's first stamp issued in 1884.

About 30,000 youths made use of the computer system offering postal information, a conference and quiz programs at the exhibition.

The FIP (International Federation of Philately), which sponsored the exhibition, held its 63rd general meeting Thursday and Friday at the Sheraton Walker Hill Hotel in Seoul.

Burma

Reports on U.S. Congressman Bill Archer's Visit

Received by Ministers

BK2408151194

[Editorial Report] Rangoon Radio Burma in Burmese at 1330 GMT on 24 August carries two reports on Mr. Bill Archer, visiting U.S. congressman, and party calling on ministers in Yangon [Rangoon] today.

Visiting U.S. Congressman Bill Archer and party called on Lieutenant General Chit Swe, minister of forestry affairs, at the International Business Center at 1600 and held frank and cordial talks on bilateral goodwill, economics, and investment cooperation matters.

U.S. Congressman Bill Archer and party also called on Brigadier General Maung Maung, minister of livestock breeding and fisheries, at the latter's office at 1500.

At the meeting, the congressman noted the development of roads, new buildings, hotels, and airports. He viewed prospects for development in the livestock breeding sector since animal feed is plentiful in Myanmar [Burma]. He explained that poultry farmers in the United States have good incomes and noted technical know-how is a prerequisite with income depending on animal feed costs. He said he would give any necessary help if needed.

Minister Maung Maung explained expanded fresh water and salt water prawn farming and fisheries in Myanmar and noted the need for prawn spawning techniques. He also noted the encouragement given to the private sector in line with the market-oriented economy system and assistance to farmers for poultry farming. The minister said cooperation and assistance would be requested when necessary. Directors general and managing directors from the Ministry of Livestock Breeding and Fisheries also attended the meeting.

In the evening, Minister Brig. Gen. Maung Maung hosted a dinner in honor of U.S. Congressman Bill Archer and his party at the People's Park Restaurant.

Calls on SLORC's Maung Aye

BK2608030394

[Editorial Report] Rangoon Radio Burma in Burmese at 1330 GMT on 25 August carries three reports on Mr. Bill Archer, visiting U. S. congressman, and party calling on the State Law and Order Restoration Council [SLORC] vice chairman and the energy minister in Rangoon today.

General Maung Aye, SLORC vice chairman, deputy commander in chief of the Defense Services, and Army commander in chief, received U.S. Congressman Mr. Bill Archer and party, currently in Burma as guests of Brigadier General Maung Maung, minister of livestock

breeding and fisheries, at the Defense Ministry's Dagon House at 0900 this morning.

Also present were Lieutenant General Tin U, SLORC secretary-2; Brigadier General Maung Maung, minister of livestock breeding and fisheries; U Ohn Gyaw, minister of foreign affairs; Thura U Aung Htet, director general of the Protocol Department; and Mr. (Engel T. Simon), charge d'affaires of the U.S. Embassy.

Visiting U.S. Congressman Archer and delegation accompanied by Charge d'affaires (Simon) called on Lt. Gen. Tun Kyi, SLORC member and minister of trade, at the Trade Ministry at 1000 this morning and held cordial and frank talks on economic, investment, and trade matters.

Similarly, U.S. Congressman Archer accompanied by Mr. (Richard G. Quit), president of the Far East Studies Institute; and Mr. (Alan R. Southerly) from Texaco Oil Company called on Energy Minister U Khin Maung Thein at the Energy Ministry's meeting hall at 1100 this morning and held cordial and frank talks on Burma's oil, natural gas, and electricity production situation and prospects for cooperation.

Singapore Trade, Industry Minister Visits

Received by Ministers

BK2408145294

[Editorial Report] Rangoon Radio Burma in Burmese at 1330 GMT on 24 August carries a report on the visiting Singaporean trade and industry minister, Mr. Yeo Cheow Tong, and his delegation calling on ministers in Yangon [Rangoon].

The visiting Singaporean delegation and Mr. Yeo Cheow Tong called on Lieutenant General Thein Win, minister of transport, at the latter's office at 1830 this evening. They held cordial and frank talks on cooperation in the airline sector in accordance with plans for the increased arrival of tourists, the development of Burmese ports, and bilateral economic cooperation matters.

The visiting high-level Singaporean delegation called on U Than Shwe, minister of industry-2, at the latter's office at 0930 this morning and held cordial and frank talks on bilateral economic and industrial cooperation matters.

In the evening, Minister U Than Shwe hosted a dinner in honor of the guests at the Kyunshwewar Hall of the People's Park Restaurant.

Urges Wider Air Links

BK2508113994 *Singapore THE STRAITS TIMES in English 24 Aug 94 p 1*

[By Lee Kim Chew in Rangoon]

[Text] Singapore has proposed that Myanmar [Burma] expand its air links with other countries, improve its infrastructure and service industry to tap the region's growing tourist trade.

These were among the key proposals in a paper which Trade and Industry Minister Yeo Cheow Tong presented yesterday to Lieutenant-General Khin Nyunt, Secretary 1 of the ruling State Law and Order Restoration Council (Slorc).

Mr. Yeo told reporters that Myanmar leaders were studying the proposals, which include hotel development and support facilities, outlined in the paper to expand tourism and agro-business.

Telecommunications and infrastructure development are the two other key areas which had been identified by both governments for stepping up bilateral cooperation.

Mr. Yeo said the paper focused on tourism and agro-business first because these were the industries where projects could take off quickly and yield concrete results.

Myanmar's National Planning and Economic Development Minister, Brigadier-General [BG] David Abel, said his government supported an open skies policy to promote tourism.

The Yangon [Rangoon] authorities, which have designated 1996 Visit Myanmar Year, are racing against time to expand the country's air links in the region. The fledgling national carrier, Myanmar Airways International, now flies to Bangkok, Hongkong and Singapore.

It will lease a second Boeing-737 from Malaysian Airline System to increase its fleet to two aircraft by the end of this year, and will include Kuala Lumpur, Kunming in China and Mandalay among its destinations.

Foreign investors have already sunk in U.S.\$600 million (\$900 million) [S—Singapore] in 17 hotels that are now being built, mostly in the capital. The government aims to increase the tourist flow from 70,000 visitors last year to 500,000 by 1996.

With China's help, the military government is building a bigger runway in Mandalay and constructing a new airport in Bago, near Yangon.

Amid the construction that is taking place in the capital and elsewhere, the pace of change in slow-moving Myanmar is picking up as the government courts foreign investors with new policies to revamp the economy.

Mr. Yeo underlined the point about the growing opportunities when he pointed to NTUC [National Trade Union Congress] FairPrice's latest joint venture to start a supermarket chain in Myanmar.

The co-operative, which signed the deal with Myanmar Economic Holdings yesterday, also plans to export agricultural produce to Singapore and other parts of the world.

He said the FairPrice venture showed that the potential was real because of Myanmar's tremendous agricultural resources. Singapore investors should not wait for too long to seize the opportunities, he added.

Mr. Yeo also witnessed the signing of a Memorandum of Understanding yesterday between a Singapore consortium, Sinmardev International, and the Myanmar government to develop some 140 sq km of land on the outskirts of Yangon.

Asked if he envisaged any problems with the massive multi-million-dollar township project, he said these could be encountered in any venture. The key factor was the commitment of the Singapore partners and the Myanmar Government, he stressed.

BG Abel, who has been appointed by Lt-Gen Khin Nyunt to co-ordinate Singapore-Myanmar projects, expressed the same sentiment.

Mr. Yeo, who is here on a five-day visit, described his talks with Myanmar leaders as warm and friendly.

He will have discussions with his counterpart, Industry 2 Minister, U Than Shwe, today.

He flies to Mandalay tomorrow and will then proceed to Pagan, before leaving for home on Friday.

PRC Opens Consulate in Mandalay 22 Aug

BK2608030694 Rangoon Radio Burma in Burmese 1330 GMT 25 Aug 94

[Text] An inauguration ceremony to open the consulate of the People's Republic of China was held on the consulate grounds at Aungmyetharzan Township, Mandalay, at 0900 on 22 August. Major General Kyaw Than, chairman of the Mandalay Division Law and Order Restoration Council and commander of the Central Military Command; and Mr. Liang Feng, Chinese ambassador to Myanmar [Burma], cut the ribbon and opened the consulate.

Cambodia

King Requests Release of Three Foreign Hostages

BK2508125294 Phnom Penh National Radio of Cambodia Network in Cambodian 1100 GMT 25 Aug 94

["Message from His Majesty Norodom Sihanouk Varman, king of Cambodia, to His Excellency Khieu Samphan and General Pet;" dated 25 August—read by announcer]

[Text] While undergoing treatment at the Grand Hospital in Beijing, PRC, I received a letter from His Excellency Jacques Chirac, the mayor of Paris of the French Republic, conveying the concern and pity of the parents of Jean Michel Braquet, a French tourist, who has been detained in Kampot Province since 26 July.

The parents are extremely apprehensive because their son has not yet been released.

Therefore, I wish to ask Your Excellency and the general with this message to envision the possibility of giving a favorable response to the supplication made by the French national, who is one of three foreign hostages being held in Kampot Province. You are asked to free the three men, allowing them to rejoin their families. They came to our country only as tourists and did nothing that affects our nation's political or military path.

With anticipated hope and thanks, I implore both of you to work out a way to release, with profound compassion, the three foreigners urgently after receiving or listening to this message.

[Dated] The Grand Hospital, Beijing, 25 August
[Signed] Norodom Sihanouk.

Radio Urges Halt to Western Military Aid

BK2608053094 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 25 Aug 94

[Text] The communist Vietnamese—at their wit's end after reaching an impasse—have ordered Ranariddh to expel diplomats and journalists from Kampot Province. As soon as he returned from a trip in which he begged others for help, Ranariddh received an order from the puppet Hun Sen, lackey of the communist Vietnamese, to announce the expulsion of all diplomats and journalists from Kampot. Ranariddh blindly obeyed this order.

Diplomats and journalists well know that this crude and fascist measure has been taken in an attempt:

1. To cover up their inefficiency, corruption, and anarchy; and
2. To cover up the extremely atrocious and barbarous crimes committed by the communist Vietnamese troops, communist Vietnamese, and two-headed government troops against the Cambodian people. They have been raiding people's villages; burning down their houses; and robbing, raping, and killing the people in Kampot Province as they have done to the Cambodian nation and people for the past 15 years or more.

These are the real aims behind the communist Vietnamese ordering Ranariddh to expel all diplomats and journalists from Kampot. Everyone knows that this measure is utterly ineffective and cannot solve anything. The situation in Kampot over the past month or so clearly shows that the two-headed government does not control anything there. The people in the countryside have rejected it and those in Phnom Penh are also angry with it—they are looking for a chance to attack it and push it into the sea. If the two-headed elements have failed to solve even this small matter, how can they lead the nation?

Various observers have said that the easiest way to end this problem immediately and completely is for the Australian, British, and French ambassadors in Phnom Penh to declare a halt to their military aid to the two-headed government.

KR Leader Chan Youran Reportedly Forms Own Army

*BK2608072294 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 26 Aug 94 pp 1, 2*

[Excerpt] According to a recent report from Preah Vihear Province, Chan Youran [deputy prime minister, minister of foreign affairs, and minister of the defense of national culture, literature, and customs of the Provisional Government of National Union and National Salvation] has dissociated himself from the Khmer Rouge [KR] faction led by Khieu Samphan and set up a special 2,300-strong army of his own. The report says that the armed unit is made up of former soldiers of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party, the party of Prum Neakareach, the party of His Excellency [H.E.] Son Sann, the party of H.E. Sak Sutsakhan, and the KR group. The report further says that Prince Kromkhun Chakkrapong, one of the leaders of the recent abortive coup d'etat, has also joined the army.

Commenting on this report, First Prime Minister Prince Krompreah Norodom Ranariddh said he is delighted if the Khmer Rouge has really broken up. As for the report on Prince Kromkhun Chakkrapong joining the Khmer Rouge, the prince said that what he is aware is that, according to a Khmer Rouge informed source, a senior official from Phnom Penh has rallied to the group. [passage omitted]

Khmer Rouge Criticizes West for IMF Loan

BK2608024194 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 25 Aug 94

["Communique" of the spokesman of the Provisional Government of National Union and National Salvation issued on 25 August; place not given—read by announcer]

[Text] I. Through the International Monetary Fund, the villainous Western alliance, especially the United States, Australia, and France, recently decided to bankroll every battle season in Cambodia, that is, providing \$20 million for the dry season and another \$20 million for the rainy season.

II. It has been clearly known to all that the two-headed government was born out of the marriage between the puppets of communist Vietnam and those of the United States. It has been used to continue communist Vietnam's war of aggression in Cambodia, to continue the murder and to wreak havoc on the Cambodian nation

and people, who have been suffering from devastation and misery for the past 15 years, so that they would suffer endlessly.

Those in the alliance have joined communist Vietnam in using the two-headed government to continue conscripting Cambodians as troops and militiamen to die in their place. Meanwhile, they are acting as suppliers of arms and funds, and they are joining communist Vietnam in entering and committing the second aggression against Cambodia. These arms and funds are called a loan to the Cambodian people to be paid back in the future.

This is the upside-down norm of the United States, Australia, France, and other members of the villainous Western alliance. They bring arms and funds here and join communist Vietnam in continuing to ignite and escalate its war of aggression to kill the Cambodian nation and people, whom they call their debtors and who will have to repay them.

III. On behalf of the entire Cambodian nation and people, the Provisional Government of National Union and National Salvation [PGNUNS] solemnly and categorically declares: We absolutely reject and refuse to recognize what the United States, Australia, France, and other members of the villainous Western alliance call a loan to the two-headed government, given either directly or through an international organization.

The Cambodian nation and people owe you nothing. It is you who have contracted an incalculable blood debt toward the Cambodian nation and people. We reserve the right to nurture the hatred born out of this blood debt until the day it is settled. For the time being, the Cambodian nation and people merely demand that you abstain from joining communist Vietnam in committing aggression against Cambodia.

[Dated] 25 August 1994

[Signed] The spokesman of the PGNUNS

Radio Denounces 'Fascist' Immigration Law

BK2608053394 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 25 Aug 94

[Unattributed commentary]

[Text] According to reports, the National Assembly of the communist Vietnamese puppets, alliance of villains, and two-headed government is debating the immigration law of the two-headed government, communist Vietnamese, and alliance of villains in order to legalize the presence of 4 million ethnic Vietnamese who have come to Cambodia since 1979, thus allowing them to swallow up Cambodia and completely wipe out the Cambodian nation and people.

The communist Vietnamese, alliance of villains, and two-headed government have been jointly preparing this law for more than a year in order to annihilate the

Cambodian nation and people as part of their abominable strategy. Communist Vietnam has arranged for this law in order to send many more millions of Vietnamese to annex Cambodia into communist Vietnam's Indochinese Federation, as it did to Kampuchea Kraom [former Cambodian territory now part of southern Vietnam]. As for the alliance of villains, they have jointly arranged for this law in an effort to curry favor with communist Vietnam and compete for benefits in Cambodia. As for the two-headed elements, they are arch-traitors to their own nation, people, and race; they are worse than beasts or the late traitor Chey Chettha II [former Cambodian king].

The Cambodian nation and people and the Provisional Government of National Union and National Salvation will not sit still and let communist Vietnam, the alliance of villains, and the two-headed government do anything they want at will. Such a fascist law will certainly cause a volcano of national and popular indignation to erupt both in Phnom Penh and the countryside. The flames of this volcano of national and popular indignation will certainly burn them. In Phnom Penh, pupils, students, teachers, professors, low-ranking civil servants, small traders, and workers are very upset and will soon rise up to demonstrate and launch all forms of struggle to topple the two-headed government. They will certainly drive the 4 million Vietnamese men and women back to Vietnam.

In the countryside, the 7 million peasants are filled with national indignation and will continue to join hands with the National Army of Democratic Kampuchea to implement the guerrilla war and people's war even more effectively and extensively throughout Cambodia. They will absolutely not allow the two-headed elements to recruit them as soldiers and militiamen. They will continue to struggle more vigorously to destroy large and small transportation lines, railroads, bridges, and sewage pipes. They will plant punji stakes everywhere to avoid being exploited by the two-headed elements, communist Vietnamese, and allies.

With the compatriots in Phnom Penh and the countryside joining hands even more closely and energetically, we can quickly (?shorten) the war by the aggressor communist Vietnamese and achieve national reconciliation and peace soon.

Radio Views SRV's 'Indochinese Federation' Plan

BK2608033794 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 25 Aug 94

[Unattributed commentary: "Communist Vietnam is Maintaining and Carrying On the Late Ho Chi Minh's Indochinese Federation Policy"]

[Text] Recently, the Hanoi authorities summoned their puppet, Lao President Nouhak Phoumsavan, to Hanoi.

Le Duc Anh and Nouhak Phoumsavan issued a statement saying that the two countries of Vietnam and Laos would continue to maintain their special friendship and jointly oppose their common enemies.

Everyone knows that Nouhak Phoumsavan is a long-standing member of the Communist Party of Vietnam [CPV]. The Hanoi authorities appointed Nouhak to the ruling communist party in Laos along with Kaysone Phomvihan and a number of other colleagues to serve as Vietnamese puppets in implementing the CPV's Indochinese Federation policy in Laos. These elements allowed Vietnam to annex everything in Laos without a single protest. They are no different from the traitorous puppets Chea Sim, Sar Kheng, and their colleagues in Cambodia. They serve as out-and-out lackeys of the communist Vietnamese in implementing this strategy to annex Cambodia through the extermination of the Cambodian race by the 4 million Vietnamese nationals.

Le Duc Anh summoned the puppet Lao president to Hanoi to issue this statement in order to show the world that Vietnam still maintains and carries on the late Ho Chi Minh's Indochinese Federation policy. This involves the Minor Indochinese Federation—including Vietnam, Laos, and Cambodia—followed by the Medium and Major Indochinese Federations. This matter is known to everyone. The people of Southeast Asia, the Lao people, and especially the Cambodian people are well aware of this. The communist Vietnamese cannot conceal this matter from anyone.

Vietnamese Issue 'Controversial' Part of Debate

BK2608020894 Phnom Penh THE CAMBODIA DAILY in English 24 Aug 94 p 7

[By Chea Sotheacheat and Vong Sokheng]

[Text] A National Assembly debate on the immigration law, which resumed yesterday, was peppered with discussion about the controversial issue of Vietnamese living in Cambodia.

Human rights workers have warned that the new immigration law—which does not define nationality—may allow for discrimination against ethnic Vietnamese. The issue of nationality will be presented before the Council of Ministers in a separate bill before the year's end, co-Interior Minister Yu Hokkri said Monday.

But co-Interior Minister Sar Kheng said yesterday that the immigration law "will safeguard human rights."

Vietnamese living in Cambodia will not be evicted by force, Sar Kheng told National Assembly members, adding that an estimated 100,300 Vietnamese immigrants live in Cambodia.

Minister of Finance Sam Rangsri—pointing to the large influx of Vietnamese in Cambodia between 1979 and

1993, many of whom were farmers—said the new immigration law should prevent immigrants from entering the private agricultural sector.

Immigrants should be denied the right to run businesses that threaten the environment or national resources, such as mining and logging, Sam Rangsri added.

Parliamentarians passed Articles 6 through 16 of the immigration law yesterday and will resume discussion today.

Indonesia

Regional Governments To Decide on al-Arqam

BK2608024494 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 25 Aug 94

[Text] The government has decided to allow regional governments to take independent action on the al-Arqam Islamic group, in accordance with the situation in each region. Whatever action to be taken against the group should however be based on religious reasons.

The government's stand was disclosed by Attorney General Singgih and Susilo Sudarman, coordinating minister for politics and security affairs, after they attended a meeting in Jakarta today. The attorney general said the decision to ban al-Arqam now rests solely with each regional government. The North Sumatera District Prosecutor's Office recently banned al-Arqam. Susilo Sudarman said the government's stand on al-Arqam is not based on any political reason but on existing laws.

*** Need for Worker Training Stressed**

94SE0205A Jakarta BISNIS INDONESIA in Indonesian 4 Jul 94 p 7

[Article by Edy Purnomo, reporter for BISNIS INDONESIA: "Future Indonesian Manpower Problems"]

[Text] Indonesia is expected to face serious problems with the supply of skilled and dependable manpower in the future, because the steady progress of national industry is yet to be supported by prepared human resources. If the need for educated and trained workers cannot be fulfilled, Indonesia's needs must be filled from overseas. Meanwhile, the types of foreign workers holding a share of Indonesian jobs continue to expand from year to year. Whereas foreign workers were involved in 1,298 types of jobs in 1980-81, the number of those types of jobs reached 2,636 in 1990-91.

Thus, without any change in conditions, domestic job seekers must compete with foreign workers in the future, like it or not. Under such conditions, only those with ability can win in the job market competition. This is without considering competition among domestic job seekers.

This matter is made more acute by the demands of consumers. Unlike those of the past, consumers in the

future will be more critical and will demand that each industry be able to create products according to their wishes. This will then sharpen the competition among companies and will compel workers always to improve their capabilities in order to survive in the company and in the labor market.

What about human resource conditions in Indonesia? Are those involved able to face these challenges? This question relates to at least three elements: workers, businesses, and education and training institutions.

In a national seminar held recently in Palembang by the Indonesian Association of Graduates in Economics (ISEI), several manpower experts said that problems still hindering the preparation of dependable human resources still include inadequate wages, low basic capabilities of workers, and an imbalance between the number of graduates from educational institutions and the needs of the business and industrial worlds.

To produce acceptable graduates, there must be, like it or not, a reorganization of the system and the materials used by institutions for the education and training of prospective workers. The materials that have been in use up to now have remained almost unchanged from one period to the next, although rapid changes have occurred in the employment world. Consequently, graduates of educational institutions have found it difficult to apply the theories they have mastered.

Manpower "practitioners" feel that although job seekers have a strong foundation in theory, they are unable to apply their theory when they go to work in the field. Even at the supervisor level, many are considered unable to perform suitable analysis.

To obtain dependable human resources, businessmen must provide training themselves—like it or not. Without training programs, it will be difficult for members of the business community to compete with other businesses.

It turns out that training within companies faces many obstacles. These include what is considered inadequate consistency and commitment by company managers, besides the absence of a sense of direction and a clear mission for training. Such training therefore is unable to meet human resource needs in a company.

According to experts, the best training is that which is conducted in a company itself through, for example, "on-the-job training." In this way, participants can directly apply theory in ways that are consistent with business requirements.

The second option is through "in-house training." The last option is to send personnel to education and training institutions outside the company.

One of the basic issues that businesses must give attention to in obtaining dependable workers is the recruitment process. The quality of human resources obtained

by this screening process will affect personnel performance later. Matters requiring attention are the integrity, innovativeness, and creativity of prospective workers.

Technocrats as well as "practitioners" recommend that for training to be more effective, the use of technology and the results of research are important things to be considered. The point is, to be able to move in that direction requires innovators able to motivate workers to work with discipline and with commitment to improving their skills.

Unfortunately, most companies in Indonesia do not yet consider training important in their organizations. In the future, training must be considered an important part of an organization, because consumer choices are not determined by low prices and good quality alone but are also oriented to manufacturing methods.

From another aspect, the manufacture of a product no longer depends on the abilities of an individual but also requires work as a group. This requires that each worker possess a high degree of discipline.

In order for training to produce acceptable graduates, educational institutions must be overhauled. Whereas, up to now, training institutions have given the impression of performing only a social mission, they must now be pointed toward becoming business-oriented. In this way, businessmen will be attracted to invest in this sector.

In addition, reform and restructuring must be conducted in both specialized and general educational institutions. Business people must give more encouragement to "link and match" programs as alternatives in overcoming the imbalance between the need for dependable workers and the preparedness of graduates from educational institutions.

Apprenticeship is an effort to train and provide work skills according to a person's aptitude and to provide opportunity for following a career ladder. The apprenticeship system should not be used merely once in the life of a worker but should be conducted continuously.

Regrettably, apprentices are often appointed directly as workers when they finish the first phase. Actually, apprenticeship should be conducted in phases. These phases are practice in the field, the strengthening of theory, a return to the field, further theory, and so on, until the person has truly mastered his profession.

To encourage the private sector to be more enthusiastic about conducting personnel training, the government should give incentives. For example, companies that consistently conduct training could be given tax relief.

Also, training material must be adapted to the needs of the business community, whether short-term, medium-term, or long-term needs. In this way, graduates of training can adapt when they face technological changes.

A training system must also be flexible and responsive and meet both national and international standards of competence. To achieve that, there needs to be support from standards organizations that can monitor the materials presented.

So far, the number of instructors and trainers in companies is still far from acceptable. For example, only 16 percent of heavy industrial companies have training managers, and only 31 percent have instructors. In small industry, the percentage is even lower: 9 percent have training managers, and 21 percent have instructors. In export-oriented industry, the respective percentages are only 16 percent and 46 percent.

What is important in this matter is commitment from top management to the development of human resources. The success of a human resource development program very much depends on the concern of top management. Company leaders must create an organizational orientation, so that the objective will be clear.

Another aspect that leaders need to be aware of is the need not to look at a training program exclusively from the viewpoint of cost and concrete results but to see it also as an effort to develop a work culture and worker integrity.

Look, for example, at the quality control group program. In this case, we should not have too much expectation that quality control groups can produce cost efficiency, but the important thing is an attitude of cooperation and response on the part of the worker toward his work environment.

The seminar mentioned above also spotlighted the importance of human resources as company assets. In the future, only companies with quality human resources can overcome competition.

The development of human resources must be oriented toward raising the degree of professionalism in personnel management, involving ability as well as expertise in planning. Such development must also improve the personnel structure for both technical and nontechnical workers and must improve the composition of educational backgrounds.

Challenges to be faced in the development of human resources include efforts to achieve qualifications like those of workers in international companies, while trying to keep the professional workers we have.

Moves by professional workers are not a new thing. In fact, moves are expected to become more widespread in the future, because companies prefer to recruit workers who are ready to work rather than new graduates. It is important to foster a company culture, so that personnel will possess integrity and loyalty to the company.

Efforts to train workers must be supported by improving the quality of instructors now on the job. Instructors

should be taken from among successful people in the field, so that they will be examples to trainees.

Trainees cannot be expected to expand their viewpoints voluntarily, and managers must give direct instructions and perform continuous evaluation. Management must evaluate the potential of each worker in order to determine the next training action.

Training is expected to produce proactive rather than reactive workers. In this way, innovations and new breakthroughs will be achieved in anticipation of new developments in the business world.

Companies that want to overcome competition must strengthen themselves along every line. There are at least three main keys to this:

First, they must be able to produce innovation, not only in products, but also in things related to improving the work process;

Second, they must have a "major strategy";

Third, they must make human resources an important company asset that needs continuously to be developed.

Without the support of these three factors, the possibility that a company can overcome competition is very slim. In addition, the company must be able to produce workers who are creative and always want to improve their performance. To do this, the company needs to set targets for each worker. Just as important, the company culture must treat workers fairly. In other words, no people are treated better than others.

Training methods must be practical and participatory and must develop processes of critical thinking and creative problem solving. To accelerate these things, cases developed in the field should be given prominence.

Also, training efficiency must be ensured. For example, limit training programs to issues that are truly needed and must be presented. The length of training also affects its success. Prolonged training can cause boredom.

In addition, training materials can be prepared by internal company instructors themselves. This also functions to develop the instructors, besides being cost efficient. The daily effectiveness of training can be realized through systematic application of close supervision.

Taiwan Seeks To Expand Economic Presence

BK2308045694 Jakarta SUARA PEMBARUAN in Indonesian 4 Aug 94 p 8

[Passages within slantlines published in English]

[Text] Foreign countries are hoping that Indonesia will become an attractive venue for investment, but they are facing some difficulties. It is clear that Indonesia is not one of the most attractive venues for foreign investors. There are other countries that offer more attractive facilities for foreign investors; in principle, Indonesia

faces stiff competition from countries such as Malaysia, the Philippines, Thailand, Vietnam, and China.

In an effort to upgrade its competitiveness with other countries, the Indonesian Government has made several decisions affecting its economic prosperity by introducing a series of deregulation and debureaucratization packages. Apart from this, the government is actively promoting Indonesia in other countries in an effort to attract more investors into the country. The Indonesian Chamber of Commerce and Industry, KADIN, is undertaking similar measures.

Asian countries such as Japan, South Korea, Hong Kong, Taiwan, and Singapore are expected to invest in Indonesia. The last four of these countries, which have high economic growth rates, are called /the new economics countries/, better known as /The Four Little Dragons/.

Several industries are considered uneconomical to operate in these countries because of their high economic growth rate. This is due to the ever-rising and high operational costs and wages required to operate these industries. Workers in those countries are unwilling to work in these industries because of low wages and environmental problems. For these reasons, there is a need to relocate these industries.

Indonesia has several facilities to accommodate the relocation of such industries as well as foreign investment. The country has abundant natural and human resources. A series of deregulation packages recently introduced by the government are aimed at supporting this end. Among other things, the investment allocation is aimed at absorbing an additional annual rate of about 2.5 million workers during the Sixth Five-Year Development Program.

The relocation of these industries has definitely resulted in conflicting views. There are those who are in favor of /fresh money/ investments, while others support the idea of investment and the need to accommodate the industries. The relocation of some industries is viewed with apprehension because the relocated industries are outmoded; they are considered /sunset industries/. The technology and equipment being brought to Indonesia is considered outmoded and prone to environmental problems. It is feared that Indonesia will become a dumping ground for obsolete technology and technological equipment.

Taiwan is one of the Asian countries that is considered a potential investor in Indonesia. From the 1967 promulgation of Law No. 1 on Foreign Investments up until 15 July 1994, Taiwan was the third biggest investor in Indonesia with an amount of \$8.74 billion (312 projects). Japan was the biggest investor with a total investment of \$17.67 billion (676 projects), Hong Kong ranked second with \$13.35 billion (345 projects), the United Kingdom ranked fourth with a total investment of \$8.01 billion, and the United States ranked fifth with a total investment of \$7.03 billion (189 projects).

Taiwan will increase its investment in Indonesia by \$6.3 billion this year, or at the latest by the second half of next year. Taiwan's investment in Indonesia will then total \$15 billion. It aspires to overtake Japan in investments. This is Taiwan's objective in directing its capital to /go south/. In pursuit of that purpose, Taiwan is increasing its investment in Indonesia.

Taiwan has overflowing funds because its economy is one of the biggest in the world. Its average annual economic growth rate stood at 6.5 percent during the 1988-1993 period, exceeding the global economic growth rate. The country's economic growth rate is increasing and maintaining a steady and moderate level each year.

According to 1993 data, Taiwan's GNP stood at \$220 billion and ranked 20th in the world. Its foreign trade amounted to \$162 billion, ranking 13th among leading nations. Its per capita GNP was also very high at \$10,566, while its foreign reserves exceeded \$85 billion.

The Taiwan Government has stressed that its economy will continue to expand until it becomes a fully developed nation. It has prepared its work force and social structure to reach this objective. It will also devise a strategy to expand further in all sectors, such as its general economy, foreign trade, industry, finance and funding, transportation and communications, agriculture, and social welfare.

Meanwhile, Taiwan's private sector has been urged to participate in the country's economic activities; for example, by formulating investment strategies and management in accordance with its economic reforms and seeking new horizons for its industries.

Taiwan aspires to achieve developed nation status by the year 2000, with its GNP amounting to \$440 billion, the total /output/ of its manufacturing sector amounting to \$300 billion, its total foreign trade value at \$300 billion, and its per capita income amounting to \$20,000.

Taiwan's excellent industrial achievements have marked it as one of the "Asian Tigers" along with Singapore, Hong Kong, and South Korea. The country's industries are supported by small and medium scale industries that speedily provide supplies, components, and other products needed for production by the multinational industries. Along with this, Taiwan has a high quality, technically well-trained, and highly educated work force.

The country's investments are well spread over the PRC and Southeast Asia. Apart from this, it has a wide market network connection with the /world net/. These can act as /satellite factories/ for international business circles. Given such conditions, Taiwan feels confident about its ideal and beneficial location for international multinational industries. This provides the country with the opportunity to expand its markets into the Asia-Pacific region.

Taiwan's investment climate will become more conducive with the country's extraordinary conditions and

with its Six-Year Project Development Plan coming to a successful end. The country will become more internationalized and liberalized with the smooth flow of its economic activities.

Taiwan will not simply stand idle and watch world economic developments, particularly when there are three formidable economic blocs in East Asia—namely Japan, the PRC with its huge markets, and ASEAN with its rapid development. Viewed from this aspect, Taiwan needs to embark on a strategy of expansion by absorbing high technology from Japan, taking advantage of the PRC's wide markets, and further strengthening its economic cooperation with the ASEAN countries. Such cooperation will further enhance and direct the country toward becoming a stronger economic and trading nation in the Asia-Pacific region.

Besides strengthening its domestic economy, Taiwan also needs to enhance its competitiveness in the international arena. Its success in the international arena will continuously enhance its national strength and increase its diplomatic economic effectiveness.

This can be seen through its investments in other nations; for example, its investments in Vietnam and ASEAN alone amount to \$16 billion. The country is a major source of foreign investment in ASEAN and Vietnam. As such, Taiwan has concentrated on directing its investments to /go south/. Indonesia is an attractive country for Taiwan investments.

Indonesia anticipated the capital flow from Taiwan, even though the two countries have no diplomatic relations. Such expectations were seen in the unexpected and unofficial talks between President Suharto and Taiwan President Li Teng-hui in Bali in February 1994.

The two countries have longstanding economic, trade, and investment ties even though they do not have diplomatic relations. Indonesia has established an Indonesian Chamber of Commerce and Industry office in Taipei. Similarly, Taiwan has opened its Economic and Trade Cooperation Office in Jakarta. The Indonesian Chamber of Commerce and Industry has a Committee on Taiwan Affairs; similarly, Taiwan's chamber of trade /the Chinese National Association of Industry and Commerce—CNAIC/ has a Committee on Indonesian Affairs.

The private sector has an important role because the two countries have no diplomatic relations. This is why the Indonesian and Taiwan chambers of commerce and industry are important. The two economic committees signed an MOU (memorandum of understanding) in Taipei on 26 July 1994. It was signed by Aburizal Bakrie, chairman of the Indonesian Chamber of Commerce and Industry, and CNAIC General Chairman Jeffrey L.S. Koo. The MOU covers economic and trade cooperation between the two countries.

The MOU states that the chambers of commerce and industry of the two countries will provide investment

and trade opportunities to business circles—particularly in the exchange of information—to foster investment and trade.

An annual meeting will be held by the two chambers of commerce and industry in either Indonesia or Taiwan. Businessmen and industrial workers from the two countries will also attend an annual training course.

According to Aburizal, 300 Indonesian industrial workers will attend a year-long training course in identical industries in Taiwan next year. This is evidence that Taiwan is truly serious about economic cooperation with Indonesia.

The country's seriousness about economic cooperation was indicated by President Li Teng-hui's statement when he met Aburizal Bakrie, general chairman of the Indonesian Chamber of Commerce and Industry, in Taipei on 25 July 1994. President Li stressed that commitments should be realized rather than remaining mere commitments.

According to Investment Coordinating Board records, 50 percent of Taiwan's foreign investment projects have been realized. This indicates that commitments have not only made, but most of Taiwan's investment projects in Indonesia have been realized.

Li has also been impressed by the Indonesian Government's economic decisions; that is, the introduction of a series of deregulation and debureaucratization packages. With a prevailing conducive investment climate, Taiwan's ambition is to overtake Japan in terms of foreign capital invested in Indonesia. This is Taiwan's strategy within the /go south/ framework.

Apart from President Li, Taiwan Prime Minister Lien Chan and Finance Minister Lin Chen-kuo are also monitoring economic relations between the two countries. The two Taiwan leaders met the general chairman of the Indonesian Chamber of Commerce and Industry on 26 July in Taipei. Prime Minister Lien Chan stressed that small and medium scale industries should be included in the cooperation between Taiwan and Indonesian industries because the country's economic strength depends on these industries. The small and medium scale industries are unable to operate independently and require the assistance of the chambers of commerce and industry.

Serious investment and trade between Indonesia and Taiwan will be marked by the signing of an MOU between Indonesia's Association of National Private Banks and the Bankers Association of Taiwan in November in Jakarta, simultaneous with the annual meeting of the Taiwan and Indonesian chambers of trade and commerce.

In an effort to further hasten the flow of investment funds from Taiwan, the Indonesian Chamber of Commerce and Industry has proposed that Taiwan establish more than two banks in Indonesia. Finance Minister Lin

Chen-kuo is currently considering the proposal. On the other hand, Taiwan industrialists have proposed that Indonesia recognize the country's bank branches to operate as a /full branch/. This cannot be accepted because Indonesian regulations state that a foreign bank operating in the country must set up a partnership with a local bank.

Indonesia has created a conducive climate for foreign investors. Foreign investors, however, believe that the investment climate still needs improvement because Indonesia only provides land development rights for 25 years; Vietnam provides rights for up to 75 years and China for up to 70 years. Investment in agriculture will not materialize in the near term because the 25-year land development rights can only reach the /break even point/, not the benefits stage. This is one issue Indonesia should take into consideration in its effort to upgrade its competitiveness in attracting foreign investors.

It has been observed that Taiwan investors, who are interested in investing or have already invested in Indonesia, are concerned with Indonesia's investment climate. The concern focuses on the labor problem, particularly with regard to the worker protests in Medan in April. Undeniably, labor protests will definitely have an impact on foreign investors who want to invest in Indonesia. At the same time, investors who have already made investments feel apprehensive about the security of their investments. Such problems can be overcome by creating harmonious employer-worker relationships. The welfare and conditions of workers need to be improved in an effort to increase national productivity, create a better working atmosphere for workers, and ensure industrialists of long-lasting business activities in Indonesia.

* Australia Offering More Military Training

[Editorial Report] The 2 August Jakarta SUARA PEMBARUAN in Indonesian on page 8 reported Australian Defense Minister Robert Ray's offer to provide Indonesia with additional assistance in training its armed forces following a U.S. cutback on defense training. Ray said that "Australia is willing to fill part of the void." He also referred to the United States' curtailment last year of military training for the Indonesian Armed Forces and its linking various arms sales to improvements in Indonesia's human rights record. Ray noted that cutbacks in Australia's own defense forces had left Australia with plenty of defense training capacity, especially technical training. In addition, Ray mentioned that Indonesia and Australia are considering setting up a joint venture to produce weapons and other military equipment.

Laos

Australian Aid Delegation Arrives

BK2408094894 Vientiane KPL in English 0931 GMT 24 Aug 94

[Text] Vientiane, August 24 (KPL)—A delegation of the Australian International Development Assistance

Bureau (AIDAB) led by Mr. Tim Terrell, deputy director general of AIDAB, arrived in Vientiane on 21 August 1994 for high-level consultations with the Lao Government.

The consultation are scheduled to be held early this week in northern Luang Prabang Province. The Lao delegation to the consultations will be led by Mrs. Khempheng Phonsena, vice president of the Committee for Planning and Cooperation.

Mr. Roland Rich, Australian ambassador to Lao PDR [People's Democratic Republic], will also attend the consultation. The two sides will put an emphasis on the expansion and development of bilateral assistance cooperation programs between Lao PDR and Australia in coming years.

Australia has announced its first multiyear commitment to Lao PDR totalling 47.5 million [dollars] over the four years to (?1997). This was officially declared in April 1994 in Vientiane by Australian Prime Minister Paul Keating, during his visit to Lao PDR to hand over the Australian-funded Mekong river bridge to the Lao and Thai Governments on 8 April 1994.

SRV House Judiciary Delegation Arrives on Visit

BK2308154894 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 22 Aug 94

[Text] A Judiciary Committee delegation from the SRV National Assembly headed by Ha Manh Tri, member and chairman of the National Assembly Standing Committee, arrived in Vientiane at noon on 21 August 1994 for an official friendship visit to the Lao People's Democratic Republic [LPDR] from 21 to 28 August. Upon their arrival, Ha Manh Tri and his delegation were warmly welcomed by Khambou Sounisai, vice chairman of the LPDR National Assembly, members of the Standing Committee and members of the National Assembly, and several high-ranking cadres concerned at Latsavong hotel in Vientiane. During the reception, Vice Chairman Khambou Sounisai expressed a warm and sincere welcome to Ha Manh Tri and his party. He reaffirmed that their visit to the LPDR would significantly contribute to the strengthening and development of the ties of friendship, comprehensive cooperation, and special solidarity between the two countries, especially between the respective legislative institutions.

During its stay in the LPDR, the Judiciary Committee delegation of the SRV National Assembly will pay courtesy calls on high-level Lao leaders, hold talks with a delegation of the Legal Affairs Commission of the LPDR National Assembly, and visit certain cultural and economic establishments in Vientiane, including the Lao-Thai friendship bridge, the national ethnic cultural garden, and other ruins in Vientiane. The delegation will also visit a number of economic and cultural establishments in Vientiane and Luang Prabang Provinces.

*** Article Praises Soviet Era, PRC**

[Editorial Report] The Lao People's Revolutionary Party daily [PASASON] carried an article written by Ch. Deuansavan in its 5 and 6 August editions in which the author reminisces about Soviet victories in World War II and how well the Lao were received there prior to the demise of the USSR "when Laos had friends on five continents." Deuansavan commented on the respect Lao writers were accorded and that "we were free to voice opinions just like big countries." The writer notes that "although the USSR and the countries of Eastern Europe have changed their essence, all Lao revolutionaries still fondly remember our Soviet friends and those from the GDR [former German Democratic Republic], Czechoslovakia, Hungary, Bulgaria, Poland, and others" for their help to Laos. The author cites a number of aid projects as examples of Soviet bloc aid, commenting that "the Lao sadly ask why did the USSR and those other countries leave us so soon?"

Deuansavan criticizes the United States, Britain, and France for failing to invite former USSR veterans to the 50th anniversary of the Normandy invasion. The writer notes the resentment of those veterans who "could say nothing at all since their country's leadership ignores them."

The writer notes that "in response to this Allied coverup," the PRC media opened up a nationwide propaganda campaign "to reveal the truth and the glory of the Soviet Red Army." The article concludes with the sentiment that despite the USSR's passing, "all of us who were exploited and oppressed by 'great countries' still have a great friend we can place our trust in: the People's Republic of China, our pillar of moral support."

Decree Establishes New District in Khammouane

BK2508063294 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 21 Aug 94

[Decree No. 100 issued by Prime Minister Khamtai Siphandon in Vientiane on 18 June]

[Text] Based on Article 60 of the Constitution of the Lao People's Democratic Republic [LPDR], with reference to letter of proposal No. 41 dated 8 April 1994 from the governor of Khammouane Province, and with reference to letter of recommendation No. 80 dated 17 June 1994 from the Administrative and State Employee Management Department, the Prime Minister has issued the following decree:

Article 1. Establish Saibouathong, a district covering an area of 1,800 square kilometers with a total population of 17,673—comprising 2,476 families residing in 71 villages—as a new district of Khammouane Province.

Article 2. The governor of Khammouane Province is authorized to enforce this decision in conformity with the practical conditions and specific characteristics of the district.

Article 3. The Prime Minister's Office, the Central Organizing Committee, various ministries and equivalent organizations, and all provinces and municipalities are requested to acknowledge and comply with this decree.

Article 4. This decree becomes effective on the day it is signed.

[Signed] Prime Minister Khamtai Siphandon of the LPDR

[Dated] Vientiane, 18 June 1994

Thailand

Budget Committee Freezes Budget for JUSMAG

BK2608040594 Bangkok BANGKOK POST in English 26 Aug 94 pp 1, 3

[Text] The House Budget Committee yesterday resolved to freeze 12 million baht allocated in the 1995 budget to fund JUSMAG (Joint United States Military Advisory Group) activities in Thailand.

The move was in retaliation to threats that the US Congress would continue with a proposal to cut 250 million baht used to train 100 Thai soldiers in America each year.

Most committee members approved Chat Thai MP Songsuk Phakkasem's proposal.

But Deputy Finance Minister Bunchu Trithong, who chaired yesterday's committee meeting to discuss the Defence Ministry, advised the committee to reconsider the proposed freeze until they learn of latest Foreign Ministry policy toward the US.

Committee spokesman Chinnawon Bunyakiat, a Democrat MP, announced the 12 million baht financial assistance for JUSMAG—which has provided military counsel to Thai armed services for about three decades—was included in defence spending programmes of the Supreme Command.

The Foreign Ministry will shortly announce Thailand's foreign policy following US Congress allegations this country still supports Khmer Rouge guerrillas and failed to isolate the Burmese regime, according to Mr Chinnawon.

Defence Ministry Permanent Secretary ACM [Air Chief Marshal] Suwit Chanthrapradit told the Budget Committee the Supreme Command's financial aid for JUSMAG was a commitment between the two countries.

But Mr Chinnawon said the committee concluded the Thai armed services should begin to stand on their own feet.

"We adopted the same manner as the US, when the US Congress cut their aid for us, we cut ours for them," Mr Chinnawon said.

Yesterday's meeting on the Defence Ministry's 85.42 billion baht budget lasted for about three hours.

The committee meeting on defence spending programmes including the Army, Navy, Air Force and others took the shortest period of time compared to all previous meetings on other ministries.

Mr Songsuk said the US Congress was only denouncing Thailand when they alleged this country continued to covertly support the Khmer Rouge and did not adopt an isolation policy against Burma.

But he said most foreign investment in Burma belonged to the Americans.

"We don't need their funds any more and we can send our officers abroad with a fund of our own," the Chiang Mai MP said.

He said ACM Suwit and Supreme Command spokesman Lt-Gen Anuson Kritsanaserani had confirmed to the budget committee the Thai armed services do not need any more IMET funds.

Army commander-in-chief Gen Wimon Wongwanit also was strongly critical of the US Congress' latest threat, saying the Thai armed services will be fine with self-dependency without any more aid from the US.

Meanwhile, the budget committee slashed 274.6 million baht out of defence spending programmes in next year's budget.

The Army's 43.30 million baht budget was cut by 105 million baht; the Navy's budget was cut by 58 million baht; and the Air Force's 18.87 billion baht was cut by 20 million baht.

The Defence Ministry's Permanent Secretary Office's 1.81 billion baht was cut by three million baht, the Supreme Command's 9.03 billion baht.

Congress Creating 'Problems' for U.S. Government

BK2608083094 Bangkok THAI RAT in Thai 26 Aug 94 p 3

[Editorial: "Cut in Military Assistance"]

[Text] According to an unconfirmed report, during their latest meeting Thai armed forces leaders discussed the probability of the U.S. Congress cutting the \$10 million U.S. International Military Education Training program for Thailand as a result of the Thai military's assistance for the Khmer Rouge and Thailand's refusal to isolate Burma as suggested by the United States. This report should serve as a warning to the United States.

The difference in thinking between the West and the East is a sad situation. As the United States has stepped up its campaign to reap economic benefits from the trade and

services sector in this region, it has also created conditions that obstruct its campaign and cause misunderstandings between it and the countries in the region by linking the human rights issue with trade. The people in the U.S. Government and the Congress think their view is always right. They are probably wrong.

We wish to let the United States know that without Thailand the genocide in Cambodia would be continuing even today. The problem in Cambodia affects Thailand; therefore, there is no reason for the Thai military to support the Khmer Rouge to prolong the genocide that plagues that country and the world. The West's thinking is rather simple—that the Cambodian Government has not been able to defeat the Khmer Rouge because of Thai support. The West never considers the current or past strength of the Khmer Rouge.

The difference in thinking between East and West is more evident on the Burma question. The U.S. Government and many congressmen think that the Burmese military government must be punished through isolation for its rejection of democracy. Thailand and the other five ASEAN countries disagree with this thinking and refuse to isolate Burma, reasoning that the 50 million Burmese people are already suffering enough without punishment by the international community. They have opted to maintain the status quo in relations with Burma and gradually bring the Burmese military government closer to the outside world, believing that evolution toward democracy will eventually materialize.

We wish to remind Congress that Thailand is a sovereign country that does not always have to agree with U.S. thinking. Regarding the longstanding military relations between Thailand and the United States, if some congressmen or U.S. group makes a short-sighted decision to cut assistance to Thailand, we urge the Thai Government to retaliate by cutting financial assistance for JUSMAG [Joint U.S. Military Advisory Group]. The United States currently has no military bases in Asia. If it feels that Thailand is so bad then let it go ahead with the cut in assistance. The cut in U.S. assistance to Thailand on the grounds of Thailand's support for the Khmer Rouge and its refusal to isolate Burma could also result in a reaction from the ASEAN countries, because they also disagree with isolation of Burma.

The Congress should not create problems for the U.S. Government.

Chuan To Seek More Equitable Trade With Japan

BK2608083594 Bangkok BANGKOK POST in English 26 Aug 94 p 18

[By Chatrudi Thepharat]

[Text] Thailand will urge Japan to treat Thailand as an equal partner in trade and business cooperation when Prime Minister Chuan Likphai visits Japan next week.

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Mr Chuan and about 100 private sector representatives will visit Japan from September 2-7, in a trip delayed since April by political changes in Tokyo.

Thailand depends on Japan for technology, markets and economic aid.

This country's trade deficit with Japan, about 16 billion baht in 1978, increased to 194 billion baht last year to constitute 80 percent of its total trade deficit.

Japan began to grant economic and academic aid to Thailand in 1955. During the sixth development plan, it comprised 56.4 percent of total aid Thailand received from abroad. Japan became an Official Development Assistance provider.

From 1987-91, Thailand received aid totalling about \$1,976.65 million, fourth behind that granted to Indonesia, China and the Philippines. In 1992, Japan granted \$406 million in aid to Thailand.

Last year, Japan said it would cease aid for Thailand this year as Thailand's economic growth was good. This signalled that relations between the two countries were becoming equal.

However, Japan continues to grant aid in some areas such as the environment, drugs and AIDS. The Overseas Economic Cooperation Fund (OECF) also continues to grant soft loans for Thailand.

A Thai Government source said although Thailand and Japan agreed to equality in relations this was not the case.

Deputy Prime Minister Suphachai Phanitchapak said talks on economic cooperation would focus on Thailand's trade deficit.

"Thailand does not seek to solve the deficit immediately but wants to see a good trend in solving this problem," he said.

There are two ways to solve the deficit. Thailand has to speed up exports of industrial goods to Japan and Thailand needs Japan to open up its market to agricultural products.

Negotiations on trade relations are following the second white paper (1992-96) which is to restructure trade, services, investment and industrial development, cooperation in technology and human resources, the environment, Thailand's role as a core to develop Indochina and cooperation to develop trade and investment in Southeast Asia.

Last year, Japan indicated it was likely to open up its market to rice, tapioca, tapioca flour, frozen chickens and rice crackers.

Commerce Minister Uthai Phimchaichon said that under the General Agreement on Tariffs and Trade (GATT), Japan has to import 3.6 million tons of rice during 1995-2001.

Statistics in February showed Japan had ordered 700,000 tons of rice from Thailand. It planned to buy about 750,000-850,000 tons this year.

Although there are many obstacles to increasing rice sales to Japan, the minister hopes Tokyo will open its market to Thai rice used for industrial production.

Mr Chuan is also looking for a third wave of Japanese investors to relocate to Thailand because of the strong yen.

Japanese investment in Thailand has declined in the past three years because they are interested in China and Vietnam.

Sawit Phothiwiwok of the Prime Minister's Office said the Board of Investment (BOI) would persuade small and medium-scale industry to move to Thailand, especially support industries and vehicle parts-makers.

BOI assistant deputy secretary Chakramon Phasukawanit said the board's policy would target industries which used high technology.

He said the BOI planned to hold seminars in Tokyo and Nagoya for Japanese investors on "deepening the industrial structure and investment opportunities in Thailand".

Mr Chuan will give an opening speech to the seminar on September 5. He will be followed by BOI secretary-general Sathaphon Kawitanon on "Thailand's readiness for a third wave of Japanese investment" and permanent secretary Siwawong Changkhasiri on "Industrial development in Thailand".

Mr Chakramon said the BOI would invite Japanese investors in Thailand to speak on "The high yen era and expanding investment opportunities in three sectors".

The first sector is the vehicle industry. Panel members will include C.M. Industry Co chairman Khemathat Sukhonthasing, Toyota Motor Thailand Co president Takuma Sato and Mitsubishi Corp manager Koichi Murai.

The BOI will give information on automobile development in Thailand which aims to become a base for exports.

In the electrical and electronics sector, panel members will include Bangkadi Industrial Park Co adviser Michino Muramatsu and AT&T Network Technologies managing director Somkhuan Musik-In.

This sector is showing increasing exports. In 1993, electronics exports were worth 197,876 million baht. Computers and parts exports totalled 62,773 million baht and electrical circuits 35,546 million baht.

Mr Chakramon said Thailand was second to Malaysia in the electronics industry, but Malaysia faced high labour costs and 10 or so factories there had to relocate to southern Thailand.

Panel members for this sector will include Rubber Research Institute director Sanit Samoson and Thai Bridgestone Co managing director Shoshi Arakawa.

Thailand needed Japan's high technology in the rubber industry, Mr Chakramon said.

The Board of Trade and Federation of Thai Industry will seek to negotiate with Japan on an open market for agricultural products, reduction of tax barriers on industrial goods and improved regulations on imports and exports and for Japanese experts to help Thailand with technology.

Federation chairman Chokchai Aksonan, the highest-ranking private sector member of the delegation, said transfer of technology to Thailand would most important.

Saudi Charge Comments on Murders of 4 Nationals

BK2608100094 Hong Kong AFP in English 0934 GMT 26 Aug 94

[Text] Bangkok, Aug 26 (AFP)—Four Saudis murdered here in 1990 were slain because they had vital information about the 20 million dollars in gems stolen from a palace in Riyadh and were not targets of international terrorists, the Saudi envoy to Thailand said Friday.

Three of the Saudis worked at the embassy here, and Thai officials have said they were targets of international terrorists. The three, Abdul al-Bezari, Fahd Albali and Ahmed Alzaif, were killed in separate but coordinated attacks on February 1, 1990.

But Charge d'Affaires Mohammad Sai'd Khojah noted the driver and two other people in the car with al-Bezari were allowed to leave before the gunmen killed the embassy third secretary.

"If it were international terrorists, they should have got all of them," Khojah told AFP.

Saudi businessman Mohammad al-Ruwaili was kidnapped in February 1990.

"They shot him and burned his body," Khojah said.

Thai police Lieutenant Colonel Somkit Bunthanom was charged with al-Ruwaili's murder but the prosecutor dismissed the case, citing lack of evidence.

Al-Ruwaili was a friend of the Saudi royal family and of the three embassy employees, Khojah said. The day he was kidnapped, al-Ruwaili telephoned a friend in Riyadh and said he had important information about the missing jewelry.

Khojah said the other victims also knew about the gems case, which involves the 1989 theft of jewelry from a Saudi prince by a Thai servant. The Thai fled to Bangkok

with the loot and was jailed, but only about 30 percent of the items were returned and much of what was given back was fake.

"It is very clear" why the four were murdered, Khojah said.

"First they (Thais) told us it was a personal conflict and we didn't believe it. Then they said it was black business—drugs—and we didn't believe it. Then they said it was the mafia and we didn't believe it. Then they said it was international terrorists, and we don't believe it," he said.

"They should have the information (about the killers) after five years," he said.

Asked if the murder of a fifth Saudi in January 1989 was linked to the gems case, Khojah said he was "not sure".

Also, the wife and teenage son of a key witness, gems dealer Santi Sithanakan, were found dead August 1 in a car north of Bangkok. Santi, who is believed to have disposed of some of the jewelry, reportedly is in a safe house under military protection.

Thai investigators have said they want to question two Saudis about the missing jewelry, police Captain Saeed Elles Azali, who was sent to Bangkok to look into the case, and another Saudi diplomat.

Khojah said neither man was involved with the disappearance of the jewelry. He declined to identify the diplomat because "he had nothing to do with the case."

The case has poisoned Thai-Saudi relations. Riyadh stopped giving Thais visas in 1990, and the number of Thai workers there has dropped from 250,000 to about 20,000.

Thailand has lost income equal to 1.5 billion dollars annually, Khojah said.

Seven policemen and a civilian are on trial in the case and investigators are weighing evidence against several other senior police officers.

Vietnam

Reports on Japanese Prime Minister's Visit

Japanese Envoy Views Visit

BK2608090794 Hanoi Voice of Vietnam in English 1000 GMT 25 Aug 94

[Interview with Japanese Ambassador Ogura Kazuo by unidentified station correspondent—place, date not given]

[Text] Japanese Prime Minister Tomiichi Murayama arrives for a two-day visit to Vietnam on Thursday. Our radio correspondent interviewed Mr. Ogura Kazuo, Japanese ambassador to Hanoi, on Vietnam-Japan relations

and the objectives of Prime Minister Murayama's visit. Ambassador Ogura Kazuo said:

[Recording in Japanese superimposed by English translation] Vietnam-Japan relations have developed in many fields—political, economic, cultural, scientific, and technological. I think in the future, these relations will further develop in both scope and scale. The exchange of visits between the two countries will create further understanding. I think it is very important to create a sound groundwork for long-term friendship and relations between the two countries. Bilateral relations have made much progress. Two-way turnover between Vietnam and Japan in 1993 was \$1.8 billion but Japan's investment in Vietnam is only valued at \$262 million.

Japan's overseas investment has been decided by private companies. In my opinion, Japanese investors realize that though investment in Vietnam will make profits, there is still a high risk. The Vietnamese Government should improve its infrastructure and investment legal environment. Japan will actively support Vietnam in improving its investment environment. Japan's official development aid will focus on essential infrastructure projects in Vietnam. Japan's investment in Vietnam is considered like an elephant. It is slow but very steady and effective.

On the purposes of Prime Minister Murayama's visit to Vietnam, Ambassador Ogura Kazuo said:

[Recording in Japanese superimposed by English translation] This is the first time a Japanese prime minister has visited Vietnam since the two countries established diplomatic relations in September 1973 [year as heard]. During his two-day stay, Prime Minister Murayama will hold talks with the heads of the Vietnamese state and government. They will inform each other of the construction and development of each country and exchange views on regional and international issues of common concern. They will discuss measures to promote the friendship and cooperation in many fields between the two countries. The two sides will sign an agreement on Japan's nonrefundable aid worth \$77 million in 1994 fiscal year.

The visit by the Japanese prime minister will strengthen bilateral relations in the interest of peace and stability in the region.

Welcoming Ceremony Held

BK2608030494 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 25 Aug 94

[Report by correspondent Quang Son]

[Summary] "At the invitation of Prime Minister Vo Van Kiet, His Excellency Tomiichi Murayama, the Japanese prime minister, arrived in Hanoi this afternoon for an official visit to Vietnam which is scheduled to last until 26 August.

This is the first visit to Vietnam by a Japanese prime minister, the highest-ranking leader of the government, since the two countries established diplomatic ties in September 1993.

"Prime Minister Tomiichi Murayama is accompanied by Mrs. Yuri Nakahara, the prime minister's daughter; Mr. Hiroyuki Sonoda, deputy chief cabinet secretary; Mr. Hiroshi Fukuda, deputy foreign minister; Mr. Hiroshi Hirabayashi, head of the Foreign Ministry's Economic Cooperation Department; Ms. Yutaka Katashima, head of the Foreign Ministry's Asia Department; and the heads of various departments under the Ministries of Finance, Industry, Trade, Agriculture, Forestry and Fishery, and of the Economic Planning Department."

The welcome ceremony was held on the compound of the presidential palace.

"At 1545 the motorcade of the Japanese prime minister and his entourage slowly entered the palace grounds. Prime Minister Vo Van Kiet walked to the motorcade to welcome the distinguished guests."

After saluting the flags of the two countries, the visiting prime minister was invited by Prime Minister Vo Van Kiet to review a guard of honor and to greet various well-wishers, including Foreign Minister Nguyen Manh Cam; Le Xuan Trinh, minister of state in charge of the government office; and Le At Hoi, chairman of the Hanoi Municipal People's Committee.

"After the official ceremony, Prime Minister Vo Van Kiet and Prime Minister Murayama held talks and then signed an agreement on the Japanese Government's nonrefundable aid amounting to over \$77 million for Vietnam in 1994 to carry out various economic, public health, educational, and cultural projects including the water supply project for Gia Lam District in Hanoi.

Aid Agreement To Be Signed

BK2608104794 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 25 Aug 94

[Text] In the framework of Japanese Prime Minister Murayama's official visit to Vietnam from 25-26 August 1994, Vietnam and Japan will sign an agreement, under which Japan will provide Vietnam with nonrefundable aid to carry out five projects as follows:

- Construction of elementary schools in areas affected by typhoons and floods;
- Supply of additional medical equipment for nine medical centers in Hanoi;
- Continuation of the building of the Gia Lam Waterwork in Hanoi;
- Implementation of the third phase of a project to restore Cho Ray Hospital in Ho Chi Minh City; and

—Implementation of the second phase of a project to upgrade Can Tho University.

The Japanese prime minister will also sign documents under which Japan will continue to provide Vietnam with official development aid (ODA) in fiscal year ending March 1995. This development aid package will be used chiefly to implement projects relating to the restoration of the countryside and construction of the Noi Bai International Airport, the Cai Lan Deep-Sea Port, and Truong Vinh Ky Convention Center in Vung Tau.

Speaks at Banquet With Vo Van Kiet

BK2608080194 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 25 Aug 94

[Text] Dear friends: Prime Minister Vo Van Kiet hosted a grand banquet at the Government Guest House this evening in honor of Japanese Prime Minister Tomiichi Murayama and other distinguished Japanese guests. Attending the banquet were Foreign Minister Nguyen Manh Cam; Minister Le Xuan Trinh, head of the Government Office; and many ministers, deputy ministers, and high-ranking officials in our government.

Speaking on this occasion, Prime Minister Vo Van Kiet said:

[Begin Vo Van Kiet recording] First of all, I would like to warmly welcome Your Excellency Prime Minister Tomiichi Murayama and the other distinguished Japanese guests on their first visit to Vietnam. You have brought with you the Japanese people's fine sentiments of friendship toward our people. During my visit to Japan last spring, I was deeply impressed by the great economic and scientific-technological achievements of Japan—a country with beautiful cherry blossoms—as well as by the hard work, intelligence, and creativeness of the Japanese people. Today, I am very delighted to have the opportunity to return the hospitality of the Japanese people.

As you already know, Vietnamese-Japanese ties have taken root and blossomed since ancient times and have left behind many relics, of which Hoi An [ancient city] is a symbol. Having undergone many ups and downs, Vietnamese-Japanese relations have now developed well. This is indicated by the fact that for the first time in history exchanges of visits between leaders of the two governments have taken place within just a year or so. Japan is Vietnam's biggest trading partner and also tops the list of Vietnam's development aid donor countries. Cultural exchanges have also developed at a very fast pace, thereby contributing to promoting mutual understanding between the two peoples.

We highly value the Japanese Government's positive contributions to achieving a breakthrough in relations between Vietnam and many international organizations and its proposal for a forum to seek ways to promote

comprehensive development of countries in the Indochinese landmass. We believe that with the potential and aspirations of the two countries, there are still more possibilities and we need to take practical measures to widen and deepen bilateral relations. Efforts to promote investment on par with Japan's potential and level of development will lay the foundation for long lasting cooperation for mutual benefit. The application of diverse import structures and accelerated efforts to import Vietnamese goods will increase the trade index and stimulate Vietnam's manufacturing and processing industries while at the same time further opening the market for Japanese goods. It is a good idea to broaden cultural exchanges and cadre training.

Vietnam and Japan can complement each other. Both countries attach primary importance to their cooperative ties with regional countries and want to contribute to the same goals; namely, peace and stability in Southeast Asia and the Asia-Pacific region.

Viewed from this angle, I am positive that Your Excellency's Vietnam visit is an important landmark. I am glad to say that because our talks have produced important results, they will create a driving force in taking Vietnamese-Japanese relations to a new stage of development.

Encouraged by that expectation, I invite you to raise your glasses. I wish Your Excellency the Prime Minister and our other distinguished Japanese guests good health. May your Vietnam visit be crowned with success. May the friendship and multifaceted cooperation between Vietnam and Japan be consolidated and developed with each passing day. May the two peoples enjoy prosperity and happiness. My best wishes for good health to all our friends present here tonight. [end recording]

In his reply speech, Japanese Prime Minister Tomiichi Murayama said:

[Begin Murayama recording, in Japanese fading into Vietnamese translation] Your Excellency Prime Minister Vo Van Kiet and distinguished guests: At the invitation of His Excellency [H.E.] Prime Minister Vo Van Kiet, I am in Vietnam today as the first Japanese prime minister to pay an official visit to the country. I have held talks with H.E. Prime Minister Vo Van Kiet on issues relating to the friendly relations and expanding future cooperation between Japan and Vietnam. I am very delighted to note that my visit to Vietnam and Prime Minister Vo Van Kiet's visit to Japan last year have established a firm base for a new Japanese-Vietnamese era in the longstanding friendly relations between our two nations.

Today, while traveling to the city from the airport and on my way to various places for official functions, I was very moved to see the Vietnamese people busily engaged in hard work to build their country with enthusiasm and determination. I have also heard that the Japanese film series Oshin is currently being shown throughout the

country on Vietnamese television and has received a warm welcome from Vietnamese viewers. For myself and other Japanese people of my age, Oshin is a film series that recalls years of hard work by the Japanese to build their country. It can be said that the Japanese people of the Oshin era set a firm foundation for the Japanese economic restoration and development after the war. Since your country shifted to a market economy and expanded its friendly relations with other nations along the renovation line, the Southeast Asian region—including Vietnam—has entered a new era. We hold that your country's development is significant not just to Vietnam, but also to Southeast Asia, the Asia-Pacific region, and the world.

Stemming from this concept, I would like to assert once again that Japan supports Vietnam's renovation policy and will do its best to contribute to this undertaking within the framework of its ability to help Vietnam develop further.

While seeking capital and technology from foreign countries is important, training our people to make them competent is also essential. I heard that there is a stone inscription at the Temple of Literature in Hanoi that says: Competent people are the strength of the nation. Clearly perceiving the meaning of this inscription, we can surely realize the significance of training our people for national construction. Japan is ready to cooperate with Vietnam in this domain. The fact that our two peoples still use chopsticks to eat their meals, take rice as their main food, and customarily drink tea reflect the similarity in the two nation's cultures. With such similarity, I am convinced that our two peoples will undoubtedly be able to strengthen their relations of friendship and comprehensive cooperation on the basis of mutual understanding and trust.

H.E. Prime Minister Vo Van Kiet and distinguished guests, I would like to sincerely thank Your Excellency and the Vietnamese people for extending my delegation and I a warm welcome and a solemn banquet. Now I would like to propose a toast to the brilliant future of your country and the increasingly strengthened Japanese-Vietnamese relations of friendship and cooperation. I wish H.E. Prime Minister Vo Van Kiet and the distinguished guests good health. [end recording]

Backs Economic Reform Efforts

*OW2508162594 Tokyo KYODO in English 1526 GMT
25 Aug 94*

[By Takehiko Kajita]

[Text] Hanoi, Aug. 25 KYODO—Japan is throwing its full weight behind Vietnam's economic reform efforts and will do its utmost to help the communist country promote a market economy, Japan's Prime Minister Tomiichi Murayama said Thursday.

"Vietnam's growth is of great importance to the growth, not only of itself, but of the whole of Southeast Asia, the

Asia-Pacific region and the whole world," the visiting Japanese leader said in his speech at a banquet hosted by Premier Vo Van Kiet.

"With this perspective, we express our support of your country's 'Doi Moi (Renovation)' Policy and renew our commitment to contributing to it as far as possible," Murayama said.

Murayama, who arrived in Hanoi on Thursday as the first Japanese premier to visit Vietnam since the end of the Vietnam war in 1975, attended the dinner party held at the government guesthouse after finishing his talks with Kiet.

While touching on bilateral relations overshadowed by Japan's atrocities in Asia during World War II, Kiet said in his address that they have been making headway in renewed relations.

Kiet also said he views the reciprocal visits of the two countries' leaders in nearly one and a half years as a favorable development to forge sure-footed bilateral relations.

The Vietnamese leader visited Japan in March 1993 and met then Japanese Prime Minister Kiichi Miyazawa.

Murayama and Kiet expressed hope that Japan and Vietnam will further promote friendly and economically cooperative relations in the future as well.

The Japanese premier visited the Philippines before arriving in Vietnam, the second stop of his official eight-day swing of four Southeast Asian countries that began Tuesday. He is also scheduled to visit Malaysia and Singapore.

Discusses Ties With Vo Van Kiet

*BK2608032594 Hanoi VNA in English 1555 GMT 25
Aug 94*

[Text] Hanoi VNA August 26—Prime Minister Vo Van Kiet held talks at the Presidential Palace here this afternoon with his Japanese counterpart Mr Tomiichi Murayama.

Attending the talks on the Vietnamese side were Minister Chairman of the Government Office Le Xuan Trinh, Vice Foreign Minister Vu Khoan, and other senior officials, and on the Japanese side, Deputy Chief of Cabinet Office Hiroyuki Sonoda and Deputy Foreign Minister H. Fukuda.

Vietnamese Prime Minister Kiet warmly welcomed Japanese Prime Minister Tomiichi Murayama's first Vietnam visit as an significant event which clearly demonstrates the rapid and favourable development of the Vietnam-Japan relationship, ushering in a new stage the friendship and cooperation relations between the two countries, and contributing to the trend of cooperation in Asia the Pacific and the world as a whole.

The two prime ministers informed each other of the situation in each country and exchanged views on international and regional issues of common concern.

Prime Minister T. Murayama affirmed Japan's support for Vietnam's renovation process and highly appreciated the achievement recorded by the Vietnamese people. He also expressed his wishes for constant development and broadening Japan's cooperation with Vietnam.

The two prime ministers expressed their pleasure at the considerable development of the friendly and cooperative relations between the two countries, particularly since the Japan visit of P.M. Vo Van Kiet in March 1993. They also discussed how to push forward and expand the multi-paced cooperation between the two countries.

The Vietnam side highly appreciated Japan's policy of strengthening long-term cooperation with Vietnam and contributing to the development of Vietnam's economy.

The two sides stressed on the importance of the expansion of goods exchange, especially the investment for development to create basis for promoting the cooperation of mutual benefit. The two sides agreed to accelerate negotiation in order to sign double taxation avoidance agreement.

They also agreed to increase the exchange of visits between all walks of life, especially young people of the two countries. The Japanese side promised to positively consider the increase of training personnel for Vietnam.

Exchanging views on regional and international situation, the two prime ministers expressed the two countries' wish to contribute to the cause for peace, cooperation in Southeast Asia, Asia the Pacific and on the world over in the principles of respect for each other's independence, sovereignty noninterference in each other's international affairs and cooperation for mutual benefit.

Murayama Meets President, Party Chief

*OW2608044194 Tokyo KYODO in English 0416 GMT
26 Aug 94*

[Text] Hanoi, Aug. 26 KYODO—Prime Minister Tomichi Murayama met separately Friday [26 August] with Vietnam's head of state and with the chief of its ruling party on the last day of his two-day visit to Hanoi, part of his four-nation Southeast Asian tour.

During the meetings with President Le Duc Anh and Communist Party Secretary General Du Muoi, Murayama was expected to pledge that Japan will give high diplomatic priority to Asia and will provide solid support to Vietnam's economic development, Japanese officials said.

Murayama will renew Tokyo's promise to provide strong assistance to Vietnam's economic reform efforts through the so-called "doi moi (renovation)" policy, and will

stress Japan's wish to buttress economic cooperation and exchanges in other fields in order to strengthen new bilateral ties, the officials said.

Murayama will also say that, under its pacifist constitution, Japan will not take the path toward becoming a military superpower, they said.

The Japanese premier visited the Philippines before arriving Thursday in Vietnam, the second stop of his eight-day Southeast Asian tour that began Tuesday.

Murayama, who met his Vietnamese counterpart Vo Van Kiet on Thursday, is scheduled to leave for Malaysia later in the day and will proceed to Singapore on Sunday.

Further on Le Duc Anh Meeting

*OW2608070694 Tokyo KYODO in English 0655 GMT
26 Aug 94*

[By Takehiko Kajita]

[Text] Hanoi, Aug. 26 KYODO—Prime Minister Tomichi Murayama on Friday [26 August] expressed Japan's renewed determination to buttress Vietnam's economic reform efforts and to help the communist country promote a market economy, Japanese officials said.

"I am glad to see Vietnam laying the foundation of economic growth through the 'doi moi' (renovation) policy," Murayama was quoted as saying in his meeting with President Le Duc Anh at the presidential palace. "We are willing to do everything we can to help promote 'doi moi'," said Murayama, Japan's first premier to visit Vietnam since the end of the Vietnam war in 1975. Hanoi has been striving to promote a market economy under the framework of a socialist government since 1986.

Murayama, Japan's first socialist premier in nearly five decades, also welcomed Vietnam's anticipated admission to the Association of Southeast Asian Nations (ASEAN) as a development for the stability of the whole of Asia, the officials said. Vietnam is expected to be accepted as early as next year into ASEAN, which groups Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

The Japanese premier, now on a tour of four Southeast Asian countries, also praised Vietnam's efforts to improve ties with the United States and China, the officials said. Relations between Hanoi and Washington have been warming since the U.S. decision in January to lift a 19-year trade embargo against Vietnam.

Murayama also reaffirmed that Japan will maintain its war-renouncing constitution and never again become a military power, the officials said.

Expressing gratitude for Tokyo's support of Hanoi's economic reforms, Anh reportedly told Murayama that Vietnam has been trying to transform itself into an affluent society in line with the wishes of the late

Vietnamese President Ho Chi Minh, the founder of the communist state. Anh also sought Japan's further economic cooperation with Vietnam and called on Tokyo to play a greater role in training Vietnamese to help advance the nation's scientific technology, the officials said.

After the talks with Anh, Murayama met Vietnamese Communist Party Secretary General Do Muoi, who accepted his invitation to make an official visit to Japan as early as next year. Touching on Japan's planned dispatch in September of Self-Defense Forces personnel to countries neighboring Rwanda to help the African nation's refugees, Murayama told Muoi that Japan hopes to contribute to the international community in the area of humanitarian aid.

While hoping that Japan and Vietnam will further promote friendly ties, Muoi expressed misgivings about the yen's high appreciation against the U.S. dollar, as Tokyo has channeled economic aid to Hanoi mostly in the form of low-interest loans, the officials said.

Friday's two meetings followed Murayama's talks on Thursday with Prime Minister Vo Van Kiet, in which the two leaders concurred on the need to forge new bilateral relations, and agreed on a framework for regular bilateral talks at the vice ministerial level to discuss Asian and global issues.

Vietnam is the second stop on Murayama's tour of four Southeast Asian countries which first took him to the Philippines. He will also visit Malaysia and Singapore.

Meets With Do Muoi, Leaves Hanoi

BK2608133594 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 26 Aug 94

[Text] Japanese Prime Minister Tomiichi Murayama paid a courtesy call on Party General Secretary Do Muoi this morning, 26 August.

The two leaders exchanged views on areas of mutual concern in a friendly and sincere atmosphere.

General Secretary Do Muoi highly valued the foreign policy of peace, cooperation, and development Japan has been following over the past few decades. He expressed the hope that through cooperation between the two countries, Vietnam will receive considerable assistance and learn from valuable Japanese experiences in its national construction, especially in the areas of economic management and cadre training.

On behalf of the Japanese Government, Prime Minister Murayama respectfully invited General Secretary Do Muoi to pay an official visit to Japan at a suitable time. The general secretary gratefully accepted this invitation with pleasure.

Also in this morning at the presidential palace, President Le Duc Anh cordially received Japanese Prime Minister Murayama. The Japanese prime minister expressed his honor at visiting Vietnam for the first time. He highly valued the achievements scored by the Vietnamese people in their renovation process and national construction and in the process of implementing their foreign policy.

President Le Duc Anh briefed the Japanese prime minister on the Vietnamese socioeconomic situation and Vietnam's foreign policy of befriending all nations in the world.

On this occasion, President Le Duc Anh asked Prime Minister Murayama to pass on his best regards to and his good-health wishes for the Japanese emperor and queen and their royal family; and his invitation for the Japanese emperor and empress to visit Vietnam. He also wished the Japanese people ever greater achievements in building a prosperous and happy country.

Japanese Prime Minister Tomiichi Murayama left Hanoi this afternoon, successfully concluding his official visit to Vietnam.

Australia**Farm Sector Can Gain \$1 Billion From GATT**

*BK2608022794 Melbourne Radio Australia in English
0100 GMT 26 Aug 94*

[Text] A new report into Australia's future trade prospects has estimated the farm sector could gain around \$1 billion a year as a result of the GATT Uruguay Trade Agreement. The agreement aims to reduce barriers and promote global competition.

The report by Australia's Department of Foreign Affairs and Trade asays the benefit will flow to Australia from three major areas—market access, domestic support, and export subsidies.

It is estimated Australia can expect to receive up to an extra Australian \$330 million in beef exports, \$210 million in dairy products, \$320 million in wheat, \$50 million in coarse grains, \$30 million in rice, and \$10 million in sugar. However, Australia's Trade Minister Bob McMullan has warned Australia's farm sector the gains will not happen automatically.

Senator McMullan said Australia's competitors will not be sitting back waiting for Australia to exploit the opportunities.

Indonesian Minister on More Australian Investment

*BK2408024094 Jakarta Radio Republik Indonesia
Network in Indonesian 0000 GMT 24 Aug 94*

[Text] Australia has made Indonesia its base for investment within the framework of bilateral trade cooperation because of its close proximity and the potential of the two countries for creating mutual benefits.

Speaking in Canberra yesterday, Coordinating Minister for Trade and Industry Hartarto said certain countries with similar characteristics have long enjoyed mutual benefits. He said that there was a need to upgrade cooperation between Australia and Indonesia because Australian investment in Indonesia has yet to reach an optimum level.

According to Hartarto, besides taking into account the importance of Australian investment in Indonesia and bilateral cooperation within the Australia-ASEAN framework, consideration was also given toward marketing the investment products within the ASEAN region.

Australian Prime Minister Paul Keating has praised Foreign Minister Ali Alatas and Gareth Evans for their great success in bringing the two countries closer and fostering greater cooperation in all fields, particularly over the last five years.

Keating said this at the dinner held at the Parliament Building in Canberra last night in connection with the second Australia-Indonesia Ministerial Forum. Keating also expressed his hope that the forum had made progress in further improving and widening cooperation.

New Zealand**Secretary: Defense Capability Remains Despite Cuts**

*BK2508082694 Melbourne Radio Australia in English
0500 GMT 25 Aug 94*

[Text] New Zealand has sought to reassure Australia and Asian governments that despite deep cuts in defense spending, its military capability has been maintained. The secretary of the Defense Department, Gerald Hensley, has told a parliamentary committee that New Zealand's ability to play a part in regional security is better than ever was.

Mr. Hensley referred to the involvement of its Skyhawks fighter bombers, Orion maritime surveillance aircraft, and frigates in defense exercises in Malaysia, Singapore, and Thailand. New Zealand has slashed defense spending by 24 percent over the past four years.

Papua New Guinea**Soldier Killed Near Bougainville Copper Mine**

*BK2408063894 Melbourne Radio Australia in English
0500 GMT 24 Aug 94*

[Text] A Papua New Guinea [PNG] soldier has died on Bougainville after being shot in the head. Sean Dorney reports this is the first fatality suffered by the PNG Defense Force in the operation that began last week to recapture the Bougainville copper mine:

[Begin Dorney recording] The soldier, a corporal, bled to death after being shot in the head yesterday afternoon at (Guada) village, which is on a ridge above the copper mine's huge open cut pit. The village, which is the birthplace of the secessionist leader, Francis Ona, was occupied by PNG soldiers late last week, early in Operation High Speed. The weather at the time he was shot was bad and the corporal could not be evacuated. Two other PNG soldiers have been wounded since the advance into the Panguna Mine started. [end recording]

Solomon Islands**Police Urge Protest on PNG Border Incursions**

*BK2508083094 Melbourne Radio Australia in English
0500 GMT 25 Aug 94*

[Text] Solomon Islands Foreign Ministry says it has received one report of a border violation by members of

the Papua New Guinea [PNG] security forces this year although police say there have been seven.

The ministry was responding to complaints raised by police that the government had failed to send protest notes to Port Moresby after the incursions have been reported. The head of police operations, Assistant Commissioner (John Armolo), expressed the concern over the incursions yesterday in the wake of last Saturday's

shootout between PNG and Solomon Islands security personnel in Kamaleai in Shortland Islands.

Mr. (Armolo) said there had been seven border violations by PNG's security men since January. However, the Foreign Ministry said it had only been informed about one such incident and concern regarding that had been relayed to the PNG Government officials at a meeting in Honiara in June.

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